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SENIOR CITIZEN HOUSING: AN EMERGING CRISIS IN AMERICA

HEARING

BEFORE THE

SUBCOMMITTEE ON
HOUSING AND CONSUMER INTERESTS

OF THE

SELECT COMMITTEE ON AGING
HOUSE OF REPRESENTATIVES

NINETY-NINTH CONGRESS

FIRST SESSION

JUNE 17, 1985, HAMILTON TOWNSHIP, NJ

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SENIOR CITIZEN HOUSING: AN EMERGING CRISIS IN AMERICA

MONDAY, JUNE 17, 1985

HOUSE OF REPRESENTATIVES,
SELECT COMMITTEE ON AGING,
SUBCOMMITTEE ON HOUSING AND CONSUMER INTERESTS,
Hamilton Township, NJ.

The subcommittee met, pursuant to notice, at 9:24 a.m., in Nottingham High School, 1955 Klocker Road, Hamilton Township, NJ, Hon. Matthew Rinaldo (acting chairman of the subcommittee) presiding.

Members present: Representatives Rinaldo, Saxton, and Smith of New Jersey.

Staff present: Paul Schlegel, minority staff director; Joe Peck, legislative assistant to Congressman Smith; and Janet Porush, minority staff assistant of the Subcommittee on Housing and Consumer Interests.

OPENING STATEMENT OF REPRESENTATIVE MATTHEW J. RINALDO

Mr. RINALDO. This hearing of the House Select Committee on Aging will now come to order. The hearing is on senior citizen housing. For the benefit of our guests—and, particularly, for the students here who may not be aware of the procedure let me give you some background. The committee holds field hearings periodically, all over the country, in order to bring back to Washington testimony from witnesses, other information that will assist the committee in making determinations and in proposing specific legislation to alleviate problems that may be occurring.

This morning, we are going to focus on senior citizen housing. And I certainly want to take this opportunity to congratulate, particularly, Congressman Chris Smith, who has been a recognized leader in trying to solve this problem. The very fact he is having this hearing in New Jersey so that input can be obtained from people in this particular district, is testimony to the fact that it is a problem and that he wants to get local input. In that way, it can be solved in a manner that will be beneficial not only to the people of the country, but also, that the needs of the people of New Jersey can be taken into account. So I certainly want to, once again, compliment you; and Congressman Saxton, who is one of the newest Congressmen in the New Jersey congressional delegation. He has already made his mark.

At this point, I will call on Congressman Smith for an opening statement.

STATEMENT OF REPRESENTATIVE CHRISTOPHER H. SMITH

Mr. SMITH. Thank you, Mr. Chairman. First of all, I want to thank you for accommodating my request for this hearing, and I want to thank Mr. Saxton for coming. He is a member of the Select Committee on Aging. And as you pointed out so well, these fact-finding hearings give us an opportunity to hear from people in the field, to assess the needs and, also, to look at some of the solutions to try to address those needs.

I thought it might be useful this morning to give a brief overview concerning the history of housing assistance in the United States, the subject we are discussing today.

Mr. Chairman, in the early 1930's, President Roosevelt recognized that America faced a grave crisis in housing. At least one-third the American population was ill-housed. As a result, in the midst of widespread unemployment and financial collapse, Congress passed the Emergency Relief and Construction Act of 1932 to create the Reconstruction Finance Corporation.

The Corporation, the Government's first major involvement in the housing field, was authorized to make loans to private entities providing housing to low-income families. That same year, the Federal Home Loan Bank Board was established to make advances on the security of home mortgages and to establish the home loan bank system.

As the Depression began to recede with the prospect of improved financial status for individual families, the National Housing Act of 1934 was passed to relieve unemployment and to stimulate the release of private credit in the hands of banks and lending institutions for home repair and construction. To accomplish this, the act created the Federal Housing Administration, the FHA, which continues to this day.

While these measures represented a major effort by the Government to stimulate housing construction, the Federal Government was unable to reach those lower income families most in need and blocked from the mortgage market because of the initial capital investment that was required. To meet the needs of this disenfranchised group, the U.S. Housing Act of 1937 was enacted, which established a housing program to be administered by the U.S. Housing Authority. The Public Housing Authority was authorized to make loans to public housing agencies, often referred to as PHA's, for low-rent, public housing construction expenses.

The outset of the war in 1941, Mr. Chairman, resulted in a temporary moratorium on domestic housing construction except for defense purposes. When the war ended, however, the demand for new housing was at epidemic proportions. Congress responded with innovative new programs, including the Veterans' Administration Home Loan Program, a program that has facilitated mortgage financing for over 11 million Americans. In 1982, the last year for which statistics are available, some 230,000 veterans had their mortgage financing facilitated through that program.

I would point out, parenthetically, that I serve as the ranking Republican on the Veterans' Affairs Subcommittee on Housing, which has direct jurisdiction over this vital program. And I am happy to say that this year we have already made substantial improvements in the program.

Mr. Chairman, the evolution of housing awareness continued into the 1950's and, for the first time, funding was provided for rehabilitation of existing housing stock. The 1960's witnessed a dramatic improvement in the methodology of providing housing assistance. The Housing and Urban Development Act of 1965, for example, inaugurated a new leased housing program under section 23 of the U.S. Housing Act, to make privately owned housing available to low-income families. This legislation also created the Department of Housing and Urban Development, represented here today by Ms. Janet Hale.

Later, in 1974, the Housing and Community Development Act replaced section 23 with another leased program, section 8, now HUD's principal mode for providing housing assistance.

Ladies and gentlemen, Mr. Chairman, as I have already noted, the first and oldest Federal program providing housing assistance is the Public Housing Program. The Public Housing Program, working with more than 300 PHA's, currently operates approximately 1.5 million units, of which 43 percent, or 400,000 units, are specifically designed to serve the elderly.

The first program to be targeted specifically at the needs of the elderly, however, is what is often referred to as the section 202 program. Section 202 of the Housing Act authorizes direct, low-interest loans to provide housing for the elderly. In 1964, handicapped persons and their families were included under section 202.

After a brief moratorium in the 1970's, section 202 was reinstated in 1974 by the Housing and Community Development Act, with some revisions. One of the most important revisions of the 202 program was that all projects receiving long-term loans must meet the requirements for and receive the benefits of leased housing assistance payment under the section 8 program. And this means in part that eligible tenants need not pay more than 30 percent of their incomes in rent.

Mr. Chairman, as of December 1984, there were about 2,250 section 202 projects nationwide, with over 142,000 of those units occupied by the elderly.

Mr. Chairman, as you know, section 8 is HUD's primary vehicle for providing housing to low-income households. At the end of 1982, a total of 782,774 elderly units were subsidized with section 8 rental assistance.

Finally, Mr. Chairman, congregate housing services provide supportive services for those seniors who are frail, or disabled, and who live in section 202 or public housing projects. The Congregate Housing Services Program provides meals and minimal social services, like housekeeping and personal care, in order to help maintain independence, dignity, and overall good health for older Americans. Legislative language, however, has kept the congregate program as a demonstration program only, yet about 63 projects had been funded by 1982, including the Trent Center in Trenton. I

would suggest, Mr. Chairman, that it is time to permanently authorize congregate housing and to expand its vital programs.

Mr. Chairman, it seems clear to me that we are on the threshold of a crisis in the area of housing for the elderly. The need for additional units of housing for older Americans is skyrocketing. The House Select Committee on Aging has determined that up to one-third of older Americans are either in substandard or inadequate housing. Since 1900, the proportion of elderly Americans in the overall population has tripled, with one of the fastest growing groups containing those over the age of 85. At projected levels, according to the Census Bureau, the number of Americans age 65 and older will reach 35 million by the end of the century. We know that our elderly have contributed immensely to the success of this Nation; we must not skirt our responsibility to assure that they can obtain adequate housing.

This year, due to great deficit concerns, there was initial sentiment to impose a moratorium on new starts for elderly housing. In light of the demographics, Mr. Chairman, I believe that the proposed moratorium was most inappropriate, poorly timed, and clearly unacceptable. At present, approximately 2 million low-income elderly renters eligible for Federal housing assistance are still not served by the Federal programs. All housing costs are being driven up by taxes, rising utility costs, rent hikes, and condominium conversion. A moratorium on Federal housing assistance for the elderly at this time could, I believe, be catastrophic.

As a cosponsor of legislation, House Resolution 37, to oppose the moratorium and to protect, perhaps even expand, the section 202 program, I am happy, Mr. Chairman, to report that the budget resolution that I supported and you supported which passed the House, House Concurrent Resolution 152, incorporated this very sentiment and rejected the proposed moratorium. House Concurrent Resolution 152 provides $578 million for new housing starts under the section 202 program, or approximately 12,000 new units. This is clearly a good sign, but only makes a dent in alleviating the problem.

Today's hearing, Mr. Chairman, affords our committee an opportunity to explore the current situation of housing for the elderly and to assess the prognosis for its future. I trust that our expert witnesses, including Ms. Janet Hale, Ms. Ann Zahora, Mr. Mike Laracy, Mr. Carl West, and Mr. Russell Heeren, and comments received from constituents here today, will shed light not only on the problem, but on viable solutions as well.

I also want to thank at this time Dr. Rick, the principal of Nottingham High School, for his hospitality in hosting today's hearing.

Mr. RINALDO. Thank you very much, Congressman Smith.

Congressman Saxton, you will now be recognized for an opening statement.

STATEMENT OF REPRESENTATIVE JIM SAXTON

Mr. SAXTON. I would like to welcome everyone here this morning.

Mr. Rinaldo was very modest when he gave his opening statement. I think he failed to mention that he is the ranking Republi-

can member on this committee that we serve, the Select Committee on Aging. And, as a result of that, New Jersey is fortunate in not only does it have a number of members on this select committee, but it does have the ranking member. And I wanted all of you to know that.

I certainly concur in the remarks of Mr. Smith. The statement that he made is right on, very accurate, and right to the point. I think it can also be said that those of us who serve in the U.S. House have a hands on knowledge of the very, very serious problems that are experienced on a daily basis by senior citizens. Each of us has a district office, which is fully staffed to help people who have problems of one kind or another. And as I looked through our caseload recently, I took special note that a very, very high percentage of the cases that we handled and the people we try to help are people age 65 and older.

I think that probably the first step in understanding the housing burden of older persons is to look at the enormous income disparity between elderly and those 65 and over and the nonelderly population. It tells a real story. For homeowners, for example, under 65, the median income is about $19,800, while the median income for elderly homeowners is between $7,000 and $8,000. And the disparity in income is even greater for the renter. The median income for those under 65 is about $12,000, while elderly renters have a median income of between $4,000 and $5,000. The elderly renters are under a great deal of economic stress. Over half of them are paying $400 or more in their income each month and, of course, that is very very difficult for them to do.

Part of these high housing costs can also be contributed to the rapidly escalating rate of energy costs. Between 1972 and 1979, for example, energy costs increased 293 percent. In comparison, Social Security benefits increased about 42 percent, and for older persons on supplement security income, the increase during that period of time was only 24 percent.

I mention these statistics or facts only to point out the worsening situation that we are faced with in this country as it applies to housing for elderly citizens. We are very concerned about how we can solve that problem. We are very concerned about, perhaps, legislation, as Congressman Smith pointed out, which may be appropriate to address that problem. We have a bad situation, we have a long way to go, and we hope that through efforts such as this we will glean the information that we need to more appropriately address that problem.

I would also like to point out that for those who might be interested, next week, in Ocean County, this panel will be conducting a hearing that has to do with health care for our elderly citizens. And I know there are some here who have mentioned they will be there and, certainly, any of you who wish to go there are more than welcome. Our staff is here to give you the details as to where and what time that hearing will be.

Thank you, Mr. Chairman.

Mr. RINALDO. Thank you.

I would now call our first witness, Ms. Janet Hale. Ms. Hale is the Deputy Assistant Secretary for Policy Financial Management and Administration, and serves as the principal adviser to the As-

sistant Secretary for Housing, FHA Commissioner for Policy Direction, Program Development and Evaluation, Budgetary Matters, Economic Analysis and Legislative Proposals. She will be the administration's witness here this morning.

Ms. Hale, you can proceed with your testimony or a synopsis thereof.

Ms. HALE. I will summarize it, if that is all right with you.

Mr. RINALDO. Fine.

STATEMENT OF JANET HALE, DEPUTY ASSISTANT SECRETARY FOR POLICY, FINANCIAL MANAGEMENT AND ADMINISTRATION, FEDERAL HOUSING AUTHORITY

Ms. HALE. Thank you very much for inviting the Department of Housing and Urban Development to participate in your hearing today.

As you all say, it is important for us, too, to hear. We need to come out to the field. I have with me today Walter Johnson, who is the office manager for Newark that handles the State of New Jersey, and I know that he, too, will share from the insights that are presented in this hearing, as will I.

When this administration came in in 1981, President Reagan charged his Cabinet officers and Secretary Pierce of HUD with a task of looking at how to best provide assistance, but in the most economical terms. I think that in the last 4 years the Department of Housing and Urban Development has made tremendous strides in that area. As you pointed out in all of your opening statements, we have only just begun and we have a future to look forward to in continuing those efforts.

When we started in 1981, the Department of Housing and Urban Development was housing 3.2 million families. By the end of 1986, that figure will have grown to 4.2 million families, an increase in 5 years of almost a million families. That has also been accomplished while providing better assistance, we think, better for the low-income tenants, more flexible, and better suited to their own individual needs, and at a tremendously reduced cost to the Federal Government.

In light of Federal deficits and the situation that we all have to face, we think this is a tremendous accomplishment.

As you referenced, Mr. Smith, in your opening comments, the administration did in February propose a moratorium. Sharing your concerns, the administration immediately began negotiating, and as of March or April, I think, with the resolutions that you all supported, has, in fact agreed to support a proposal to add 100,000 new families to those families that we currently serve.

Those negotiations are not complete and we never believe we are going to have housing assistance until the legislation is passed and the ink dry on the President's signature. But we look forward in 1986 to having probably about $10.8 million to assist low-income housing resources across the country.

The mix of housing assistance types is yet to be determined, but we do know that it will include section 202, units—somewhere around 12,000 units across the country.

And, importantly, another area that I would like to spend a little time talking about today, when this administration came in, the bulk of the housing assistance was going to a program called section 8 new construction, an expensive program that did more to stimulate developers than it did to provide low-income housing assistance. Congress, in 1983, repealed new construction and substantial rehabilitation except for the section 202 program and, in fact, the administration has proposed a new program called housing vouchers that we feel will be tremendously important. It is cheaper, and we feel a better vehicle for providing housing assistance.

This resource enables eligible tenants to shop in the private market, find an apartment, and benefit from rental assistance paid by the Department. Rather than building a project at the corner of X and Y and having that resource be there, we allow tenants the flexibility to go shop in the market; find an apartment, probably close to family, friends, jobs, or the community that the elderly have lived in for so long. Then the Department helps eligible tenants to pay for units of their choice, within certain dollar limits.

The voucher, unlike the previous programs, does not have a maximum amount, that we say tenants may only pay *x* and not anything more. We say, you make your housing decisions; you will pay 30 percent of your income if you choose; if you choose to pay 35 percent and rent the apartment you are currently living in, you make that choice. Under other assistance programs, tenants are prohibited from paying more than 30 percent of income for rent. Under the voucher program, if you've got an apartment next to your family or where you have lived for the last 20 years, you could choose to live there and spend a larger percentage of income. Or if you can find an apartment that is cheaper, you can save the difference. We feel that the shoppers' incentive has never been provided in any of the housing programs before and is particularly important, and can be well-targeted to the elderly.

While vouchers represent the administration's primary subsidized housing vehicle, assistance for the elderly and handicapped under the section 202 program also is important. And, as I said, we look forward to having those units in 1986.

We have 12,000 this year, and I believe 345 of those units will go to New Jersey. The selection process is occurring now and we hope to make announcements on those at the end of September.

Congressman Smith mentioned the Congregate Housing Program. As he pointed out, there has been $28 million, I think, to fund the projects, 62 projects across the country over the last 6 years. It was started as a demonstration program to provide meals and support services to elderly and handicapped persons in order to help them continue to live in relative independence outside of institutions. We all support the fact that individuals should live in an environment that is comfortable and provides the level of services that are necessary, but prevents premature institutionalization for individual who do not need nursing care or institutional settings.

The demonstration has been completed. Funds are continuing to support those projects. And we hope to have the results and evaluation to Congress by midsummer.

We have been pleased with preliminary results, but we will have to look at the cost benefit analysis and see whether or not the De-

partment of Housing and Urban Development is the best provider of those services or should HHS possibly provide them. These and other questions must be answered before we continue to fund the program.

Of the other Department's public housing projects, about 40 percent of our units go to the elderly, as Congressman Smith mentioned. We also have community development block grant funds, grants going out to either State or local communities. These funds can be targeted at local discretion to provide resources and assistance to the elderly such as community service centers, centers for the elderly across the country which have been rehabilitated, expanded and we also have a number of unassisted programs that are insured by the FHA, Federal Housing Administration, that benefit the elderly. Legislation passed in 1983 provides HUD the authority to insure board and care facilities, which provide room, board and continuous protective oversight for elderly or handicapped persons who do not need the fuller range of services provides in institutions. These are unassisted but, again, provide the resources and flexibility of the Department to be sure we serve the total needs of the elderly, from the low-income to the other end.

We share your concerns. And I would like to end my remarks at this time and be able to address any questions that you all may have.

Mr. RINALDO. I certainly want to thank you for your testimony and for taking time out of your busy schedule to join us today.

We have heard that in many cases, in fact, in practice, landlords will turn down an applicant if the rent is more than 35 percent of the family's income. Now, how would a voucher help people in those conditions?

Ms. HALE. By statute, before, you could not pay more than 30 percent of your income, and we established local maximum rents for the 2,600 communities across the country. No one could rent at higher than that and no one could pay more than 30 percent of their income. It is the extra flexibility that says you can spend more of your income, if the individual chooses; and you can spend more than that maximum arbitrary cap that we had established before.

Again, it does not force anyone to spend more than 30 percent of their income, but it provides the choice. As I said before, I think it is particularly important that if an elderly person has not been receiving low-income assistance and has been paying 50 or 60 percent of their income for rent now has the flexibility to stay in the unit he or she is currently renting and make that choice to pay more. By statute before, tenants have been precluded from doing that; now they have the opportunity.

Mr. RINALDO. But suppose an elderly person does not have a place to live and they look for a place to live; you don't have the authority to force a landlord to rent to them.

Ms. HALE. No. The——

Mr. RINALDO. You see, my point is this. If the landlord has in effect a practice by which he is going to turn down an applicant if the rent is more than 35 percent of the family's income, then that person is going to go from place to place, and be rejected time and

time again from obtaining suitable housing if a number of landlords have that practice in effect.

Ms. HALE. We will subsidize the difference. We will establish a payment standard in the community, what rents should be for a unit of that type. And we will subsidize the difference between the payment standard and, basically, 30 percent of the income. So, the landlord does have a guaranteed stream of payment, 30 percent of the tenant's income and the remainder of the amount as long it is within our payment standard. So a landlord should not be doing that.

The Department can go in and look to see if they are violating the Fair Housing Law because many of these tenants that might be in that category could be deemed discriminated against because of race or sex or one of the other criteria.

Mr. RINALDO. You mentioned section 8. In vouchers, section 8 existing are computed differences, obviously. Could you perhaps explain——

Mr. SAXTON. Would you yield, so that I can follow up on that?

Mr. RINALDO. Surely. I would be pleased to.

Mr. SAXTON. Obviously, the bottom line of the program is to provide housing for senior citizens. And I am just curious, anyone who is going to enter into a project in terms of constructing one needs to look at his or her profit picture. And I am just curious to know whether or not there have been a problem in attracting people into the program as developers and builders, and how the level of rent which might be charged is set by HUD in order to, No. 1, provide affordable housing, but, No. 2, provide an opportunity for someone to be interested in investing in such a project.

Ms. HALE. The voucher and certificate programs do not stimulate production. They use existing rental stock and maintain, and in many cases, upgrade it in order to participate in those programs. So, we do know it is a vehicle that can encourage landlords to maintain their housing stock. New construction and substantial rehabilitation is done under section 202, which is limited to nonprofit sponsores. Economic feasibility of section 202 projects is assured by the income stream from rents, part of which are subsidized.

Mr. SAXTON. Thank you.

Mr. RINALDO. Prior to that question, I started to ask, the balance of section 8 existing and vouchers are computed differently. Vouchers do not really produce, as you just answered, any new housing.

Could you explain in a little more detail the difference in the two programs, section 202 and vouchers. And could you also give us some figures and compare the average payments for a family of two. And, finally, explain what happens under the voucher system in an area where there is no excess capacity; in other words, where the apartments just are not available. Does the voucher system, in effect, become inoperable in an area of that type?

Ms. HALE. Let me take it in reverse order, if I can.

The voucher program is a modification and we believe an improvement upon the section 8 Existing Certificate Program. Under the voucher program, an individual goes out and rents in the private community. The subsidy level should be about the same for the tenants. They get a dollar figure and then have freedom of choice, as I said. If they want to spend less than 30 percent of their

income, they can save the difference; if they want to pay more for rent than 30 percent of income, they may do so. Statistical evidence indicates that nationwide there is no housing shortage. The primary problem for low-income tenants is affordability, not availability of housing.

You correctly pointed out that there are communities where the vacancy rate is quite low, or the rental market is quite tight. In those areas, we augment the housing resources under a program called "rental rehabilitation," where we provide money to the local community to give to private developers to rehab the existing stock; and then provide vouchers and section 8 certificates to make the upgraded housing affordable to low-income households. We believe that we can house 2 to 3 as many needy people in this manner with the same amount of money as we could house under new construction programs. So is the primary assistance vehicle is rental assistance payments, not new construction, in a community where there is not standard housing, but where rehabilitation can work and is needed to improve that housing stock, vouchers and certificates will work in conjunction with rental rehab. The third level of assisted housing provision is the new construction that we do now with the 202 program, trying to be sure that there is an adequate supply of housing for the elderly and handicapped.

Congress added to that level a program called housing development grants so that, in fact, there would be a full range of new construction available to those communities to ensure that where there wasn't adequate private stock, that there would be a construction program.

Mr. RINALDO. Mr. Smith.

Mr. SMITH. Thank you, Mr. Chairman. And, Ms. Hale, it is good to see you again. I certainly enjoyed your testimony both today as well as at a hearing last March. And I recall you had noted at that hearing, before the Committee on Aging in Washington, that a study was underway with regard to congregate housing and that you had expected at least preliminary results sometime in March. I noted with encouragement just a moment ago when you said that the results seem to be good.

Could you elaborate upon that for the committee and provide us with some insight?

Ms. HALE. We know that the tenants, in theory, should be receiving support in those areas, as you mentioned; housekeeping services, meals, and the other kinds of services.

The report was done by a private contractor, the Hebrew Rehabilitation Center for Aged of Boston. Their report has come to the Department. We are currently reviewing it. There are some preliminary indications that the program it may not have been accurately targeted to the population that we felt was most at risk of institutionalization. We will go through again and evaluate it all and then make our recommendations to Congress.

As with everything in the Federal Government, making recommendations is taking a little bit longer. We had hoped it would be out in March. It has slipped a little bit, but it is a major concern to us and the administration.

Mr. SMITH. Do you foresee legislation being sent up to the Hill sometime in this session of Congress?

Ms. HALE. My guess is that it will be dealt with in the 1987 budget. And, again, the question will be whether it is HUD or whether these kind of services are better provided through the Department of Health and Human Services under their block grant program.

We are supportive of the congregate Housing Services Program, but we are a housing department. And the question about where the social services are provided and which is the best agency to provide those services is something we will have to look at with Secretary Heckler at HHS.

Mr. SMITH. A couple of other questions, Ms. Hale.

My understanding is that the number of households newly assisted by the programs have not decreased as much as the appropriated budget authority to a large degree because of the shift from mostly new construction to an emphasis on rehabilitation of existing housing stock. This is one of the key components, obviously, of the section 8 housing program.

Could you, for the committee, either now orally or perhaps in a more definitive way, for the record, provide us with an analysis that would track the need versus how the mix of 202's public housing section 8 units, and the like, can be put together to achieve maximum utilization?

It seems to me that we have a hard time getting a handle on not only the problem—we have so many conflicts. The AARP provided one set of stats; HUD, another; the Select Committees on Aging, both House and Senate, come up with different statistics. And it is a matter of whose statistics do you believe. And if we could get a good working draft of just what is the need, what kind of mix of programs to alleviate that need.

Ms. HALE. I certainly will try. I would say that the basis of the shift, the statistics that we have are the 1980 census. And, again, those numbers change. We are now in 1985. They are trying to update those and be able to deal with specific location by location, and it is difficult.

I will put another factor into the equation, and that is always the cost, what dollar figure, what part of the Federal pie, Congress and, specifically, the Appropriations Committee, can afford.

We have seen very few communities that can't use the assistance of 202 and the limited public housing that is being constructed. We have never had a community turn back its section 8 existing resources. So that, in fact, if you look again at the quantity of need, it will be difficult to assess community by community. But, again, looking at the dollar figures, probably the existing section 8 vouchers are much more cost effective. You can house a lot more people for the same dollars, provide a far greater service, I think.

Mr. SMITH. Could you detail for the committee the amount of debt that we have obligated ourselves to, and what the administration is trying to do to alleviate that debt?

Ms. HALE. When Secretary Pierce came in in 1981, he was presented with a budget that showed the long-term Federal obligation for Departmental Housing Assistance was a quarter of a trillion dollars.

Mr. SMITH. 250——

Ms. HALE. $250 billion. That was primarily because of the expenses, long-term obligation of new construction. And that goes back to your other question, that I submit in changing the housing assistance mix and providing primarily assistance that gives support and direct rental assistance to the tenant, not the developers, the bricks and mortar of new construction that we talked about. Secretary Pierce was able to present the 1986 budget to Congress that would show a long-term debt of $193 billion. So that, in fact, in 5 years we would probably reduce the long-term obligation by $60 billion, at the same time increasing the number of families assisted by the Federal Government, to 5,000,000.

Mr. SMITH. A couple of more questions, Mr. Chairman.

I recall again from that hearing last March that you expressed a great deal of interest in the UDAG Program and you noted that it was a very good program. As you probably know, the House has authorized $396 million for fiscal year 1986; they extended $358 million for fiscal year 1986; and probably the compromise will be somewhere between those two figures.

Could you touch on your view of the UDAG Program? As you know, it has been particularly important to communities in the Northeastern United States. The city of Trenton, Jersey City, Newark, New Brunswick all have taken advantage of its provisions. So if you could, please comment on that.

Ms. HALE. Secretary Pierce has been very supportive of the UDAG Program. It was one of those tough budget decisions that the President had to make.

We do feel that the provision of Federal funds to encourage the leveraging of private dollars is beneficial and seeing that for every Federal dollar, about seven private dollars goes in. The leveraging of dollars, coupled with the creation of long-term permanent jobs, and with the community benefiting by the community centers, the housing assistance that has gone into the UDAG Program, we are quite pleased with the Congress supporting it and continuing the program.

Mr. SMITH. Ms. Hale, if you could yield the mike for a moment to Mr. Johnson, we welcome Mr. Johnson to the committee.

As I think you know, I have had a very strong interest and I have met with officials in Washington from HUD on behalf of Cathedral Square, a section 202 project that has been proposed. It is my understanding that in the State of New Jersey there are about 10,000 requests for units and only 300 available units currently, or something around that figure.

Could you touch on the need versus what you can make available here in New Jersey and, also, the prognosis for Cathedral Square?

Mr. JOHNSON. You are correct. There are 345 units, we have been advised, that will be available in the State of New Jersey during this fiscal year. We do have about 14 project applications. As you have suggested, that is many more than we can provide.

It is difficult at this point in time. Of course there is the national competition. The local office reviews, evaluates, and then it goes on to Secretary Pierce to the final decision.

I can say with respect to Cathedral Square, the sponsors have been in our office. They have gone over the evaluation that the application received when it came in last year. It is my understand-

ing they will have a substantially improved—they do have a substantially improved application this year.

Mr. SMITH. Thank you. I certainly hope you will look at the outcome.

Mr. SAXTON. Excuse me. I remember reading that between 1980 and 1985 it was projected by HUD, I guess in the late seventies, that there would be a need for something like 115,000 units in this State during that period of time. Is that——

Mr. JOHNSON. I asked my Congressman to take a look at the latest figures that were available to us on that question, Mr. Saxton. And he indicates an elderly need, rental need of approximately 100,000, 105,000 or 106,000, based on the 1980 census data, which I believe is more recent data than the figures that you were quoted. We have about 3,700 units, not all 202's, but in various programs that provide housing for senior citizens. I think the difference shows you at least an approximation of need.

Mr. SAXTON. The reason that I wanted to bring that point up is that we had that targeted needed units for that period of time, and we are now in 1985. And I am just curious to know whether or not we have made any substantial progress during that 5-year period in meeting that need. I know that we have not met the need, but I am curious to know whether we have made any progress.

Mr. JOHNSON. Well, I believe the need in 1980 of about 100,000 does represent a reduction in the need from what we had before. Of course, we have a long way to go.

Ms. HALE. If I may followup on that in the national perspective, our Office of Policy Development and Research did an assessment at the request of Senator Garn, our appropriations chairman and authorization chairman from the Senate side, who asked us to try and put a plan together about how we might address the need long-term.

They gave us factors, the statutory criteria upon which we are to base funding and selection of tenants. We call the group defined under these criteria the "worst case" tenants. Included are those elderly people living in—people, in general, living in substandard housing, at 50 percent or below of median income and paying more than 50 percent of their income toward rent; if you run those numbers nationwide, there are 2.8 million families. About 30 percent of that, I believe, is elderly.

If you looked at the units that we have in the pipeline, the turnover, because once you have a housing unit new families come in as old families leave, there is a need of about 132,000 units per year over an 8-year term that could be utilized to address the need of the worse cases. And subtracting that back—and I do not have it for New Jersey, but that is sort of the basis of where the 100,000 a year came to address over an 8-year plan.

Mr. SMITH. Will the gentleman yield?

Mr. SAXTON. I would be happy to.

Mr. SMITH. You mentioned units in the pipeline, How many units are there in the pipeline and in what categories at the present time?

Ms. HALE. There are approximately—I know the units for what would be coming on line in the next 2 years is 207,000 units that will be coming, of which 45,000 are section 8, new construction;

some part of that, 38,000 will be 202's; 2,500 rehabs; 75,000 existing section 8 certificates; somewhere around 50,000 vouchers. And those already have reservations and either construction has started or the process of selecting the tenants, going on from the vouchers in section 8.

Mr. SMITH. If I heard, Ms. Hale, correctly before, you had indicated 100,000 new units for 1986?

Ms. HALE. That is what I believe appropriations will give us with the $10.8 million and that is part of the budget compromise.

Mr. SMITH. I have one final question, Mr. Chairman.

I know, Ms. Hale, you are aware of the fact that for the first time in the century loss of rental units are outrunning additions. For the elderly, the shortage has been projected to be as high as 300,000 rental units per year that are just not there.

Could you touch on the cause of this problem, as well as some possible solutions? And I understand here—obviously, the entire answer is not in Federal programs. There, too, it will be a mix with private sector initiatives and other kinds of programs.

Ms. HALE. That is right. Those are some of the facts that are also going, as you say, into the net loss. We have as many as 600,000 additions that we think are going on, be they legal or illegal, depending upon zoning.

My personal guess about where a good part of the loss is is local rent control and local zoning ordinances that, in fact, do nothing to encourage the continuation of multifamily units as rentals. A second part of the question is how the tax bill as it goes through will affect developers and owners of rental housing stock.

Mr. SMITH. There are a few realtors who are here, who have been saying that very thing for the last 5 years or longer.

Mr. RINALDO. Thank you, Congressman Smith.

Mr. Saxton.

Mr. SAXTON. I would like to follow up on your statement regarding rent control. What effect do you see having—obviously, there has been some positive effect for some individuals and, perhaps, some negative effect long-term.

Ms. HALE. That is very correct. Keeping the cost of the rent down is clearly a short-range benefit to the tenants. Weigh that against the disincentive for landlords to maintain those units in a safe, standard, decent condition. If they cannot get their return on investment back because rents are going to be capped at some percentage of money they put into it, it is a very difficult question, one that is a tough choice for local politicians since they deal with it, because in fact it can serve as a disincentive to private landlords. So, in the long run, if you can lose that as a resource available to low-income housing, it is a tough question.

Mr. SAXTON. Let me bring up something a little bit different. You are probably familiar with the New Jersey *Mount Laurel II* decision. New Jersey has been under the gun from our courts for the last year or so to build more low- and moderate-income housing, particularly in developing communities. Through zoning ordinances and other mechanisms, various communities across the State during recent history have, in effect, excluded low- and moderate-income housing through zoning with large lots and not making a lot of land available for multifamily housing. So a couple

of years ago, the court ruled in the *Mount Laurel II* decision that communities that were in a situation where they were developing had to currently provide zoning for low- and moderate-income housing. And that would seem to make at least an availability there for people to take advantage of, No. 1, the *Mount Laurel II* decision and, No. 2, perhaps some of your programs which are dovetailed with that. Does that——

Ms. HALE. Sure. We have seen tremendously creative projects going around the country where people have taken that same concept and utilizing resources, targeting them to low income. We have a UDAG project that has a low-mod benefit to housing; private sector just taking the creative ingenuity about increasing the density, but allowing targeting for lower cost.

We have been very involved in the Department in developing and promoting nationwise a project called "joint venture for affordable housing," trying to deal with some of the zoning questions and showing developers and communities how they can produce lower cost housing without doing damage to either profit or, more importantly, to the amenities that go in there. We have seen it from homeownership perspective, we have seen it from low-income rental multifamily. I think that is probably the principle of the HODAG program passed by Congress, a mix of 20 percent low income and 80 percent market rent. So there is a myriad of programs, as long as it meets the local criteria.

Mr. SAXTON. Thank you, Mr. Chairman.

Mr. RINALDO. I want to express our appreciation to Ms. Hale for your very expert testimony. You have been extremely helpful to the committee, and the record will remain open if any members of the committee have further questions that they would like to send to you.

Thank you again. And thank you, Mr. Johnson, also; a late entry, I might see.

Ms. HALE. Thank you for inviting us.

Mr. RINALDO. Our next panel consists of Ms. Ann Zahora, the director of New Jersey Division on Aging; Mr. Michael Laracy, Office of the Commissioner, New Jersey Department of Human Services; Mr. Carl West, director of Mercer County Office on Aging; and Mr. Russell Heeren, representative of the American Association of Retired Persons.

We would like each witness to limit their testimony to 5 minutes. If you have already submitted testimony, it will be included in the record in full. But we would appreciate it if you would stick to the 5-minute rule and summarize any testimony that you may have. At the conclusion of all of your presentations, we will then ask the panel questions.

Would you please take your seats, and we will begin with Ms. Zahora. Oh, and also Jane Chiurco.

STATEMENT OF ANN ZAHORA, DIRECTOR, NEW JERSEY DIVISION ON AGING

Ms. ZAHORA. Thank you so much, Mr. Chairman.

I am Ann Zahora, director of the New Jersey State Division on Aging, and I want to thank you for giving me this opportunity to testify before the Select Committee on Aging here today.

The New Jersey Division on Aging has a 15-year record of concern for the shortages in senior housing and the lack of housing options for older people. The housing and living environments unit of our division has assisted and continues to assist municipalities and communities in developing options, encouraging demonstrations, research, and evaluation of housing needs.

The division feels strongly that the elderly today do not have the necessary options in close proximity or within their municipalities to either age in place or move to an appropriate environment. There are many ways that we can alleviate these shortages in senior housing.

Today, I would like to limit my remarks to the issues and problems in federally subsidized senior housing and the need for fully funded congregate services programs. I would like to discuss a variety of things here. And since we are limiting the time, you are going to have to bear with me for a minute while I search through my testimony.

We were going to discuss the population trends, which are really dramatic. But let us move on to the need.

In 1982, the division developed statistics estimating housing needs for low and moderate income elderly for 1980 through 1985. This need was based on the 1980 census for population, the number of occupied units and those under construction, and the HUD region II economic market analyst formula. This formula is based on median income levels per county. There was a need for 115,000 units between 1980 and 1985 in New Jersey. Bergen, Essex, Hudson, Ocean, and Union needed over 8,500 units each. Even within counties with minimum need of over a thousand units were justified according to the formula and the population.

Many elderly renters and homeowners suffer housing deprivation. As the elderly age in place, this problem will worsen. On limited incomes that erode as they age, many elderly are financially unable to meet higher rentals or to maintain and pay utilities and taxes on their homes. Many suffer from isolation, as they give up driving because of financial or health reasons. They need company, security, and a feeling of safety. Many persons over 75 years of age have needs centering around the difficulty with cleaning, cooking, and shopping. Subsidies are a very important component in meeting the housing needs of elderly poor people. However, many subsidies have proved to be inadequate.

In addition to subsidies, site location is critical. Accessibility to services is necessary to conserve the energy resources of the older person. Lengthy trips are hard to make, so even if transportation is not a problem distance from services may be. Developments, we recognize, do need to be close to shopping and other community facilities.

Subsidies and site location alone will not keep the elderly independent and functioning well. Architecture and design, communal spaces, and social interactions are the basis for older persons' social and psychological well-being. For many elderly over 75 years, con-

gregate housing, housing with help can be a critically important component.

Congregate housing is housing that provides a combination of shelter and services. These services can include meals, housekeeping, and assistance with activities and daily living. It supports independent living. It provides a housing arrangement that is concerned with a living environment, as well as shelter. Congregate housing is needed in the older, federally subsidized senior citizens projects, as well as those built recently. Older buildings are presently inhabited by older persons. With a very low turnover rate, the occupants have aged in place. In addition, persons are on waiting lists for years before being offered a unit. They are entering the senior citizen projects older than original applicants.

Independent living is important to older people. As they age, their ability to maintain an independent lifestyle becomes more dependent on environment support. For people of lower income who cannot afford to purchase services individually, it is imperative that a service subsidy program be provided.

Two service subsidy programs exist in New Jersey. One is the HUD Congregate Service Demonstration, as was discussed earlier; the other is the New Jersey Division on Aging Administered Congregate Housing Services Program enacted by our State legislature in 1982.

The Congregate Housing Services Act of 1978 authorized HUD to award grants to public housing authorities and section 202 housing programs to provide nutritional meals and supportive services for tenants in their projects. Two projects in New Jersey participate in this demonstration, which initially was funded for 5 years and then extended through April 1986. That means that unless it is extended again, this important program will die. The Trent Center in Trenton is one of the program sites, and it estimates that 300 people have been served in the past 5 years. All were at risk to relocation to a more restrictive, much more costly facility.

The New Jersey Congregate Housing Services Program is funded through casino revenue money. We are very proud in the division on aging of this program. It serves 23 programs in 15 counties. The average monthly number of participants presently is 500. The number of participants varies from month to month, for a variety of reasons. Services include a minimum of one nutritious meal a day, 7 days a week, and also housekeeping and personal care. Units of services vary depending upon the need of the participants.

This program began in 1978 as a pilot and developed into a full program in 1982, after the demonstration proved its need, effectiveness and importance.

Congregate housing services programs have been demonstrated again and again and again; their ability to extend the quality of life that we all strive for in old age. Dignity, independence and the exercise of options are among the common descriptions of life's quality. What is needed now is a full congregate service program to serve all people in public housing, HUD, and Farmer's Home funded buildings. There is no question that congregate services must be put on a firm financial basis and its concepts must be extended to all other senior citizen specially designed housing in New Jersey and elsewhere.

If I may conclude, the need is enormous. It is growing and will continue to grow for both low- and moderate-income persons. It will grow as the population over age 65 grows and ages. We must make provisions to keep the older population as independent as possible. This will take commitment by the Federal Government for more than 350 units per year in New Jersey, for more than 12,000 to 14,000 units per year nationwide. It will take commitment to a congregate housing services program beyond demonstrating its worth. Methods must be found to build architecturally appropriate buildings with special features to meet the needs of the elderly. Funding and subsidies must accommodate the low-income as well as the moderate-income elderly, and support services through congregate services buildings and programs must increase.

I thank you, gentlemen, for this opportunity to present my case to you.

[The prepared statement of Ms. Zahora follows:]

PREPARED STATEMENT OF ANN ZAHORA

Good Morning: I am Ann Zahora, Director of the Division of Aging, in the New Jersey Department of Community Affairs. I want to thank you for giving me the opportunity of testifying at this hearing of the Select Committee on Aging.

The New Jersey Division of Aging has a 15 year record of concern for the shortages in senior housing and the lack of housing options for older persons. The Housing and Living Environments Unit has and continues to assist municipalities and community groups in developing options, encouraged demonstrations, research and evaluation of housing needs.

The Division feels strongly that the elderly today do not have the necessary options in close proximity or within their municipalities to either age in place or move to an appropriate environment. There are many ways that we can alleviate the shortages in senior housing. Today I would like to limit my remarks to the issues and problems in federally subsidized senior housing and the need for fully funded congregate services programs.

I will discuss the population trends which are and will continue to result in long waiting lists. I will explain why federally funded specially designed senior housing is in such demand—what is so special about it, and, I will talk about both the HUD and New Jersey's Congregate Services Program.

POPULATION TRENDS

Changes in the age structure of the population have been, and will continue to be, dramatic. The growth in the number of elderly and in the configuration of households indicate that elderly housing consumers will grow both in absolute numbers and as a percentage of all households.

There are several key characteristics of these new elderly households that should affect the housing policy presently and in the future.

Males and females have different mortaility rates and life expectancy rates. In 1978 a male at birth was expected to live 69.5 years, female life expectancy was 77.2 years. A continuation of this trend will result in major increases in the number of women. One set of projections indicates that by 1995, nearly one-half of elderly headed households may have female heads. This is a significant increase in the number of women living alone. People living alone are at greater risk. They are frequently poorer, socially isolated, in need of health care and transportation.

Another characteristic is the increase in those 75 years or older. The very old will experience the greatest population increase over the next several decades.

In 1983, the elderly population in New Jersey age 65 or over was approximately 922,000. Between 1980 and 2000 those 65 and over will increase by more than 34%. Within the ranks of New Jersey's older population, by the year 2000, those 75 and older are projected to increase more than 13% to approximately 290,000 persons. Persons 85 and over, the group which can be expected to require the most assistance, is growing the fastest. It is expected to double in number and proportion between 1980 and 2000 to a total of over 140,000 persons.

It is among the group of households over 75 years of age that special housing needs are concentrated. A very large proportion of these households live alone,

report some physical ailments and have disproportionate rates of poverty. The significance for housing policy is the need among this group of support that surpasses just shelter.

HOUSING HISTORY

The first housing built explicitly for the elderly was built 27 years ago under the Housing Act of 1956. Under the federal statues 1,500,000 housing units are occupied by elderly households through new construction, rehabilitation or rental subsidies. The prime focus since the 1950's has been new construction programs, generally in low-income public housing, though the Section 202 program for moderate income elderly has been popular and very effective. In addition, 42% of the 1,480,000 HUD low-income public housing units is occupied by older persons. These units have no special design features.

In New Jersey, according to the recently completed 1984 Survey of Specially Designed Subsidized Housing for the Elderly, there were 45,600 subsidized units. Close to 20,000 units were low-income public housing units, 16,900 were built through N.J. Housing Finance Agency programs and 8,750 units were built under HUD Section 236, 202, 8 or Farmers Home Administration programs. Another 2,289 units were under construction. Of the units under construction 1,112 were low-income public housing units, 383 were NJHFA units and 794 were built under HUD Section 236, 202, 8 or Farmers Home Administration programs. This represents an increase of 9,178 from the number reported in the 1981 survey. In spite of this increase, demand for units continues to grow.

Of interest in New Jersey is the large number of units built under the auspices of the former New Jersey Housing Finance Agency. Over 35% of the total housing built is state subsidized, low and moderate income housing as provided under N.J. Housing Finance Agency. In addition, based on waiting lists, these buildings are the most popular projects in the state—31,400 persons were waiting for one of the 16,000 units built prior to June 1984.

The results of the 1984 survey reflects a significant decrease in the number of units under construction. This decline in housing starts may be traced to a decrease in federal funding levels since 1980. At the present time the only federal subsidy money available for new construction is through the Section 202 program and through Farmers Home Administration.

Approximately 350 units have been reserved for New Jersey in each of the last several fiscal years through the Section 202 program. However, if a building is not begun within 18 months of the reservation the funds are rescinded.

This recently occurred in Galloway Township. A 100 unit project under the auspices of the Galloway Senior Citizen Village Committee was awarded. A Section 202 fund reservation in September 1982, HUD notified the sponsors that granting extensions beyond the 18 months would occur only if project delays were due to HUD or litigation. This was after thousands of dollars of CD funds was spent to improve the sewer and water systems at the site. HUD suggested Galloway Township reapply.

Farmers Home Administration has limited funds available to those communities that qualify in New Jersey. Communities must be rural by Farmers Home definition. And since they are rural and have sparser populations, fewer units are built at any given project site. To date only 389 units have been constructed. Another 54 are presently under construction.

As of June, 1984 there were approximately 55,000 people on waiting lists for the 45,600 occupied subsidized housing units. In most counties the picture is the same—the number of elderly on waiting lists was signficantly larger than the number of occupied units. This is in spite of a relatively recent ruling permitting sponsors and housing authorities to keep waiting lists within a reasonable limit.

The waiting lists for subsidized housing may contain some duplication. However, since priority is given to local residents and most communities have only one type of housing, it is unlikely that this figure contains very much duplication. It should be noted that the waiting lists represent only the communities where senior citizen housing already exists and therefore does not indicate the need in municipalities that have no subsidized housing for the elderly. In New Jersey only 147 communities out of a total of 567 municipalities have senior citizen housing. The other 420 municipalities undoubtedly have elderly persons who could benefit from the economic, social and health support afforded in federally subsidized specially designed housing. Also there is no way to calculate how many people do not even bother to put their names on the waiting lists or are turned away when requesting an application due to the extreme length of the existing lists.

ARCHITECTURE AND DESIGN

What makes specially designed subsidized housing so popular in New Jersey and elsewhere?

Research on public housing and 202 housing has shown clearly favorable effects of this housing on life satisfaction, social interaction, housing satisfaction, and participation in activities. Most of the new construction programs have been relatively successful in providing favorable physical and psychosocial environments for older people.

Living arrangements and housing assume unique social significance at the older ages as health declines and dependency needs are likely to increase. A major need of the elderly is comfortable, reasonable housing, designed and located to compensate for some of their physical, psychological, and economic limitations. Their needs range from the psychological ones of safety and comfort, a sense of place and environmental mastery to those related to physical limitations such as design features like elevators, ramps, an adequate heating and cooling system, easy maintenance units to social concerns such as privacy, tenant contacts, landlord relations, and safety from strangers.

A basic need is a sense of place—that is, to feel the unit is your unit, one with which you can identify. It should be in a familiar surrounding or one that quickly becomes familiar with the older person able to relate to the people living there and to the environment.

Certainly, most of the federally subsidized specially designed housing provide these features. The community room and other community spaces provide opportunity for tenant contact and provide good landlord relations. The pride elderly take in this housing is displayed in numerous ways. The buildings are generally kept clean for as long as the elder person is physically able to do so. Elderly within buildings volunteer to monitor entrances, to supervise within the community kitchens. They fund raise for the benefit of the tenant association and programs offered by the association within the buildings. They watch for strangers and are deeply concerned for one another.

Because the physical and service environment of elderly housing impacts so significantly on residents' behavior and functioning, the division on aging, in 1975 sponsored a project on the built environment for the elderly. The projects purpose was to apply the skills of architecture under the guidance of the social services to the design of housing for the elderly. The project, undertaken by Princeton University School of Architecture and Urban Planning, developed performance criteria and requirements for housing for the elderly, illustrative design prototypes of dwelling units and public/shared spaces. This information and a community guide developed by the Division have been disseminated widely throughout this state as nonprofit community groups pursued funding for elderly housing.

In 1982 the Division developed statistics estimating housing need for low and moderate income elderly for 1980 through 1985. Need was based on 1980 census for population, the number of occupied units and those under construction, and the HUD Region II Economic Market Analysts' formula. This formula is based on median income levels per county. There was a need for 115,000 units between 1980 and 1985 in New Jersey, Bergen, Essex, Hudson, Ocean and Union needed over 8,500 units each. Even in counties with minimum need over 1,000 units were justified according to the formula and population.

Many elderly renters and homeowners suffer housing deprivation. As the elderly age in place the problem will worsen. On limited incomes that errode as they age, many elderly are financially unable to meet higher rentals or to maintain, and pay utilities and taxes on their homes. Many suffer from isolation as they give up driving because of financial or health reasons. They need company, security and a feeling of safety. Many persons over 75 years have needs centering around difficulty with cleaning, cooking and shopping.

Subsidies are a very important component in meeting the housing needs of elderly poor persons. However, many subsidies have proved to be inadequate. The HUD Section 236 program reducing mortgage interest rates had this limitation as did the Section 515 program of Farmers Home Administration. These subsidies did not go deep enough. Rentals, for some individuals were in excess of 50% of their meager incomes. To overcome this the programs have been used in tandem with deeper subsidy programs such as the HUD Section 8 rent supplement program.

In addition to subsidies, site location is critical. Accessibility to services is necessary to conserve the energy resources of the older person. Lengthy trips are hard to make so that even if transportation is not a problem, distance from services may be. Developments need to be close to shopping. Other community facilities such as med-

ical, religious and social, play a meaningful but less important role perhaps because they are frequented less often.

Subsidies and site location alone, will not keep the elderly independent and functioning well. Architecture and design, communal spaces, social interactions are the basis for the older person's social and psychological well-being. For many elderly over 75 years, congregate housing—housing with help—can be a critically important component.

Congregate housing is housing that provides a combination of shelter and services. These services can include meals, housekeeping, and assistance with activities of daily living. It supports independent living. It provides a housing arrangement that is concerned with the living environment as well as shelter.

Congregate housing is needed in the older federally subsidized senior citizen projects as well as in those built recently. Older buildings are presently inhabited by older persons. With a very low turnover rate, the occupants have aged in place. In addition, persons are on waiting lists for years before being offered a unit. They are entering the senior citizen project older than original applicants.

In newer and recently built projects, we are witnessing a higher age applicant pool. Almost at the inception of a reservation announcement, older residents and former residents contact the municipality to inquire about the application process. This is prior to any construction activity and those who inquire will manage, at all costs, until they can apply for a unit. The almost completed Princeton Community Housing building is one such example. Consisting of 88 units, it has received 232 applications with many persons in their mid to late 80's. Of the 283, 107 expressed an interest in congregate services.

Independent living is important to older persons. As they age, their ability to maintain an independent lifestyle becomes more dependent on environmental supports. For people of lower income, who cannot afford to purchase services individually, it it imperative that a service subsidy program be provided.

Two service subsidy programs exist in New Jersey. One is the HUD Congregate Services Demonstration. The other is the Division on Aging administered Congregate Housing Services Program enacted in 1982.

The Congregate Housing Services Act of 1978 authorized HUD to award grants to public housing authorities and Section 202 housing sponsors to provide nutritional meals and supportive services for tenants in their projects. Two projects in New Jersey participate in this demonstration program which initially was funded for five years and then extended through April 1986. That means that unless it is extended again, this program will die. Trent Center in Trenton, one of the program sites, estimates that 300 people have been served in the past five years. All were at risk of relocation to a more restrictive, much more costly facility. Plainfield Housing Authority's Richmond Towers is the other HUD demonstration site. Here approximately over 100 people have been served.

The New Jersey Congregate Housing Services Program is funded through Casino Revenue. It serves 23 programs in 15 counties. The average monthly number of participants presently is 500. The number of participants varies from month to month due to death, entrance into the hospital or nursing home. Services include a minimum of one nutrition meal a day, seven days a week, housekeeping and personal care. Units of service vary depending on the needs of the participants. This program began in 1978 as a pilot and developed into a full program in 1982. After a demonstration proved its need, effectiveness and importance.

Congregate services programs have demonstrated again and again their ability to extend the quality of life we all strive for in old age. Dignity, independence and the exercise of options are among the common descriptions of life quality. What is needed now is a full federal congregate services program to serve perons in public housing, HUD and Farmers Home funded buildings.

There is no question that congregate services must be put on a firm financial basis and its concept must be extended to all other senior citizen specially designed housing in New Jersey and elsewhere.

In conclusion, the need is enormous. It is growing and will continue to grow for both low and moderate income persons. It will grow as the population over age 65 grows and ages. We must make provision to keep the older population as independent as possible. This will take commitment by the Federal Government for more than 350 units per year in New Jersey; for far more than 12,000 to 14,000 units per year nationwide. It will take commitment to a congregate services program beyond demonstrating its worth.

Methods must be found to build architecturally appropriate buildings with special features to meet the needs of the elderly. Funding and subsidies must accommodate

the low income as well as moderate income elderly. Support services through congregate services buildings and programs must increase.

Thank you.

Mr. RINALDO. Thank you, Ms. Zahora.

Mr. Laracy, you may proceed.

STATEMENT OF MICHAEL LARACY, OFFICE OF THE COMMISSIONER, NEW JERSEY DEPARTMENT OF HUMAN SERVICES

Mr. LARACY. Thank you, Mr. Chairman, Congressmen, for this opportunity to speak this morning on the relationship that housing and health services, together, can play in preventing unnecessary institutionalization.

The New Jersey Department of Human Services will have spent about $750 million next year on the elderly. Over half of that will be for nursing home care under Medicaid. The graying of America is clearly the greatest demographic challenge the United States and New Jersey is going to face in the next couple of years. If current trends continue, within 10 to 12 years, New Jersey could spend over $1 billion a year—New Jersey alone—for nursing home care; that is, providing for the health care needs of the oldest old.

I do not have to tell you that older people today, as always, want both independence and security. Experts tell us that older people's fear of losing their independence is often greater than their fear of death. They fear losing their ability to get out on their own and their own sense of independence greater than they do dying. And to most of us, institutionalization epitomizes that loss of independence.

The dual needs for independence and security are often in conflict; they are hard to reconcile. However, senior citizen housing and home-based health care, when coordinated together, provide a superb way, we believe, to reconcile those goals.

During the last several years, Governor Kean and the New Jersey Legislature have been hard at work in providing our aging population with the health services they need to remain secure and self-sufficient with their own communities. The list of programs that were initiated in New Jersey is probably too long to go into here right now, but it includes the Middlesex Channeling Program, the Community Care Program for the Elderly and Disabled under section 2176 waiver, Respite Care Services, and the AFDC Homemaker Program.

These programs put millions and millions of dollars into providing home and community-based services to the elderly, and they are very, very effective.

In short, we are doing a great deal to expand access to home care. The Governor and the legislature deserve a commendation for this. However, what we have not been able to do consistently is to link the services, the health services, with the housing. We have not been able to afford that combination consistently across the country. Until we do bridge that gap, our goal of enhancing independence and providing alternatives to nursing home care is going to be hampered.

There have been a few exceptions. I think the Division on Agings Congregate Housing Program is a notable one. Another one is reverse annuity mortgages. There are a number of these that are be-

ginning out there; long-term Care Insurance is another one. We are developing a framework and we are developing the technology. However, for these home care programs to work, the housing must be there and it must be appropriate housing for the older old. Voucher programs are fine for a 50-year-old woman with two kids, who can go out and look for housing. It does not work for an 80-year-old woman, a widow, who uses a walker. She is not likely to be able to take advantage of a voucher. To ask those people to rely on vouchers for housing is cruel. They need to have appropriate housing and that is what senior citizen projects have done. They are designed for the elderly, they are accessible, and they are convenient.

More importantly, from our perspective as a human services provider, they are very efficient. A home health aide or a nurse can go around and see 10, 12, or 15 people in the course of a day; whereas out in the suburbs, out in apartment complexes where they are spread out, may only be able to see two, three, or four people during the course of the day. So it makes home care much, much more effective. There is the informal support system among the elderly, where they can keep an eye on each other. These senior citizen projects greatly enhance the ability of the elderly to stay out of nursing homes.

Medicaid currently spends about $20,000 a year keeping an elderly person in a nursing home in New Jersey, and New Jersey is a fairly good State in that regard. So to not build senior citizen housing really is penny wise, pound foolish. The pennies we are saving nowadays by not building housing is just going to be reflected a few years from now in building more and more nursing homes, avoidable nursing homes, and putting a lot more money into unnecessary institutionalization.

So it is important that as we expand the home care services, which every State is doing, that we continue to expand the supply of senior citizen housing to keep pace with our growing senior citizen population.

Thank you very much.

[The prepared statement of Mr. Laracy follows:]

PREPARED STATEMENT OF MICHAEL LARACY

All of us here are aware that the graying of America is the most significant demographic change that will face this country—and New Jersey—in the next 50 years. Every American and every facet of our society will be affected by it.

Providing adequate housing and quality health care for our aging citizens are clearly two of our most pressing social concerns—and certainly two of our most formidable challenges. To a remarkable extent, these two problems are highly interrelated.

I don't have to tell you that older people want both independence and security; experts tell us that older people's fear of losing independence is often greater than their fear of death. These needs are often in conflict—a conflict which only intensifies as age increases.

Housing is a key element in the quality of a persons life. Cost and availability clearly impact heavily on the elderly, particularly those with special needs such as psychiatric or substance abuse problems or with health problems which require support and monitoring—and those who are subject to abuse, neglect, and exploitation. The scarcity of housing in New Jersey is a serious problem that impacts on all age groups, especially the elderly, in some communities approaching zero vacancy rate.

During the last few years Governor Kean and the legislature have been hard at work to provide our aging population with what they need to remain secure and self-sufficient within their own communities.

Through the Department of Human Services, for example, we have made available two programs—channeling and the community care program for the elderly and disabled—which demonstrate how intensive case management and an array of home and community-based health and social services can allow people to stay in their own residences. We have instituted a number of other programs with that same purpose in mind: The AFDC Homemaker Program, a personal care program, and a respite care program to name several. And right now we are planing the implementation of two additional major programs designed to maximize the independence of older persons in the security of their own homes—one is a medically needy program, the other, a peer grouping system which will allow most of our counties to put millions of dollars into providing long-term care in people's residences and communities.

In short, we are doing a great deal to expand access to home care in New Jersey. The foresight and support of the Governor and legislators are to be commended.

What we in the United States have not been able to do, however, despite all our creative efforts, is to consistently forge a link between these indispensible supportive health services and equally essential appropriate housing. Generally, the development of housing options and the establishment of community care systems have been undertaken separately with limited coordination. And unfortunately, until we do bridge this gap, our goals of enhancing independence and providing alternatives to institutionalization will be hampered.

Fortunately there are some limited exceptions—successes upon which we can build. One is the Reverse Annuity Mortgage Program. A second is the Division on Aging's Congregate Services Program, which in 23 senior citizen housing sites, is incorporating shelter and the supportive services of meals, housekeeping and personal care assistance as a means of encouraging independent living. However, even with the extra resources of a congregate services program, unless there is the further support of nursing and social work staff, a congregate program participant may still need to be sent—needlessly so—to a nursing home, if, for example, he or she forgets to take medication, or if he or she needs regular blood pressure or blood sugar monitoring.

We have the framework. A shared or congregate housing program provides a wonderful opportunity to blend necessary health and social services in a way that will support even frail and at-risk older people in non-institutional environments.

For one thing, the flexible financial and health status requirements of a congregate program make it possible to serve a wide range of people not usually covered by traditional home health reimbursement programs. Also, since meals, housekeeping, and personal care services are already provided under the congregate program, the additional necessary health-related services are minimal. Additionally, aides and visiting nurses make much more efficient use of their time in a shared or congregate facility—travel time is virtually eliminated and many residents can be seen in a condensed period of time.

Finally, by adding gap-filling health services to other services within congregate and shared housing, the salaries of professionals and aides can be saved many times over by reductions in medicare and medicaid costs for doctor's visits, emergency room visits, hospitalizations, and nursing home placements.

Each time a hypertensive tenant is caught before he or she has stroke or heart attack—each time a doctor is notified that an insulin dosage needs regulation, each day a person is kept out of a nursing home—the direct consequence is the saving of Medicare and Medicaid dollars.

Today there are about 35,000 elderly persons in nursing homes throughout New Jersey. Unless we are able to develop a continum of housing options and care, the institutionalized elderly could easily increase 50% in the next 15 years. That would cost us more than a billion dollars a year.

We believe it is possible to provide our aging citizens the opportunity to live full, healthy, self-directed lives. Tremendous progress has been made in our long-term care networks. But our progress, indeed our caring, will be for naught unless we also provide our elderly with safe, affordable housing.

As the number of elderly persons increases, our supply of subsidized housing has to increase proportionally. Unfortunately in the last few years federal support for such housing has dwindled. Very few new housing units have been started. This is, to put it mildly, a penny-wise, pound-foolish approach to a very serious problem. The "savings" we realize by not building senior citizen housing will be dwarfed by the enormous expenditures we will then have to make via Medicaid and Medicare to

build avoidable nursing homes. We simply must respond reasonably and with haste to this unmet demand.

We can no longer afford to repeat the inefficient practices of the past of institutionalizing older persons who need only minimal help—removing them from their homes at a cost to the state of $20,000 a year—when with just a little help and for a fraction of the cost, they could have stayed at home.

In addition to greatly expanding existing housing programs, we must be willing to develop and experiment with a variety of alternative living arrangements that include services and structures designed to meet the needs of the elderly at various points in the aging process.

We also must create individual community variations of alternative housing so that they can be set in place as needed.

As a State, we must come to grips with th ever-increasing need to make difficult choices among competing needs. We must more carefully and selectively target our limited resources and coordinate our services and programs.

We do have options. And we are convinced that available State and Federal resources should be used to enable our elderly citizens to live in security and dignity—in the setting of their choice.

Mr. RINALDO. Thank you, Mr. Laracy. Mr. West.

STATEMENT OF CARL WEST, DIRECTOR, MERCER COUNTY OFFICE ON AGING

Mr. WEST. Good morning. My name is Carl West. I am the executive director of the Mercer County Office on Aging; legislative chairman of the New Jersey Association of Area Agencies on Aging; and a member of the board of directors of the National Caucus Center on the Black Aged, a national nonprofit corporation which has been responsible for the construction and operation of elderly housing units throughout the United States.

I would like to thank you for allowing me the opportunity to discuss a matter which is of great concern to our aging network and the elderly citizens of our country; that subject being the senior housing shortage.

Based upon the indicated time constraints, it would be impossible for me to fully articulate the concerns that relate to complex housing issues. However, I shall attempt to briefly review some major concerns which I have as an area agency director and as one who considers alternative housing options as a major need of the elderly.

The New Jersey Association of Area Agencies on Aging, the New Jersey State Commission on Aging, and an overwhelming number of statewide senior citizen organizations have made the need for additional affordable housing for the elderly as a major priority of their organizations. Data gathered by the Mercer County Planning Department confirms that the county of Mercer is growing steadily. Increases in the population and housing growth are not evenly distributed throughout the county, with the most significant growth occurring in East Windsor Township and within the U.S. Route 1 corridor. Blacks, women, and the elderly are the three largest growing population groups in Mercer County.

There have been dramatic changes in the general housing characteristics in Mercer County in recent years. Many more housing units are being built, particularly structures of five or more units, and fewer people are residing per unit. Of significant importance is that the median value and median rent of housing units are increasing. Census data clearly reflects that, overall, Mercer County's population is aging. There are currently 56,242 senior citizens in

the county who are over the age of 60 and that number is expected to increase significantly during the next decade.

Within the next 20 years, the product of the baby boom will swell the over-60 population to record numbers.

What are the implications of the above social and economic trends on our elderly as it relates to their present and future ability to achieve or maintain affordable housing? Current information indicates that one of every five of our Nation's elderly are living in housing which is not suitable for his or her needs, ranging from being too large and too expensive to being architecturally inappropriate. If this Nation is truly committed to meeting the housing needs of today's elderly and the elderly of the coming generation, it is imperative that immediate steps be undertaken both in the public and private sectors by those who shape the housing policy within this great Nation of ours.

Local, State, and Federal agencies responsible for the development of housing policies must join together with private housing developers and nonprofit sponsors in creation of a comprehensive master plan designed to address the existing and future needs of our Nation's elderly. Such a plan should recognize the specialized needs of the elderly and provide for housing alternatives which stress independent living, including homeownership, where feasible, and offer the individual the opportunity of freedom of choice. The master plan should provide for a variety of options that should include, but not be limited to congregate housing; reverse annuity mortgages; small group homes; rental assistance, both Federal and State; accessory apartments; continued Federal housing construction support; granny flats; and endowed retirement communities. It is vitally important that the Federal housing programs, such as HUD's section 202 elderly housing program not only be continued, but be vastly expanded to provide for an accelerated construction program to meet the tremendous existing need for elderly housing.

The focus of a 202 housing program should also be expanded to encourage the continuous ownership of appropriate housing by our Nation's elderly. Such an expanded program should provide assistance in the construction of housing units which would recognize the architectural as well as the emotional needs of the elderly. By making available additional housing options, the elderly would no longer be required to live in homes which are too large and too expensive and which substantially drain their limited resources. This Nation should not require its elderly to abandon the concept of suitable homeownership based solely upon age.

The 202 housing program should also be expanded to allow for a higher percentage of nonhousing space to be included in construction of senior housing which will allow for the provision of onsite support services which encourage continued independent living. A comprehensive housing plan should recognize the need for continued and expanded support for our Nation's urban, elderly poor, while also recognizing the needs of our growing, more affluent suburbanites.

The 1981 White House Conference on Aging recommended, and I quote:

HUD section 202 should be continued as a Federal initiative to provide housing for low-income elderly to live independently, and 20,000 units should be produced

annually, especially for lower income elderly who need specifically designed facilities.

With housing costs continuing in its upward spiral, the need for low and moderate cost housing is greater than ever. Section 8 of the HUD program, Housing Assistance Program, should also be expanded. If, in fact, this Nation wishes to address the housing needs of our elderly through the development of a meaningful, comprehensive housing plan which will chart the course for the implementation of elderly housing into the next century, it will be incumbent upon those planners and technicians to be ever mindful of the changes which are slowly taking place within the elderly community.

As advances in the field of medicine have extended life significantly during this century, all evidence points to the fact that the life expectancy of Americans will continue to increase in years to come. With people living longer, it will be vitally necessary that a variety of housing alternatives be available to them if we are to ensure that their quality of life will not be diminished due to the lack of suitable options. The policymakers and planners must be extremely careful not to pit the interest for elderly housing against the interest of those concerned about the housing needs of the younger generation, many of whom are currently experiencing a critical need for affordable housing. Consideration must be given to the fact that tomorrow's elderly will be more affluent, more educated, with different social and emotional needs than today's seniors, all of which must be recognized when future housing options are being developed.

In conclusion, we must ask ourselves what does the future hold in store for the thousands of elderly New Jerseyite, many of whom are poor and in desperate need of suitable housing. Unless dramatic changes occur immediately, their plight will continue to grow. The criticalness of the situation is quite evident at this very moment, while the eyes of the Nation are focused upon the dismantling of federally supported social programs and the debate over defense spending rages, energy costs have created a heat or eat condition, and a trip to the local supermarket requires a major investment for a week's supply of groceries. Housing costs assume a disproportionate share of the income of many of our elderly, most of whom are on fixed incomes with little hope of realizing any significant increase during their lifetime.

It is my sincere hope that with the guidance and expertise of this committee that our Congress listen very carefully to what is being said and commit its efforts to reaching an immediate, comprehensive legislative package that recognizes the housing needs of our Nation's elderly. The Mercer County Office on Aging stands ready to join you and other partners within New Jersey's aging network in the development of those resources needed to reach those goals that will improve the quality of life for all New Jerseyite.

Thank you.

Mr. RINALDO. Thank you, Mr. West. Mr. Heeren, you may proceed.

STATEMENT OF RUSSELL HEEREN, REPRESENTATIVE OF THE AMERICAN ASSOCIATION OF RETIRED PERSONS

Mr. HEEREN. Mr. Chairman, Mr. Smith, Mr. Saxton, I am Russell Heeren, a member of the National Legislative Council of the American Association of Retired Persons. The association welcomes this opportunity to testify regarding the fiscal 1986 budget in the housing needs of the elderly.

You have the full testimony, so I can only give you a small portion today.

AARP believes that the provision of appropriate, affordable housing with access to supportive services for older persons is of compelling importance. There is an unmet need for such housing now. It will rapidly become more and more pressing as time passes and the older population grows in number and as a proportion of the general population.

Housing budget proposals for fiscal year 1986 should be examined in the context of past policy decisions and current and future housing needs. Absent these considerations, new policy decisions are not likely to be either equitable or rational. The salient fact with regard to past budget policy is that direct spending for federally assisted low-income housing has been cut by over 60 percent since 1981, from about $30 billion to $10.7 billion in fiscal 1985. This reduction makes housing proportionally the hardest hit component of the Federal budget in recent years.

Although elderly housing has been hurt less than other programs, there have been steady reductions in assistance to low-income older persons as well. It is worth noting that indirect housing related expenditures, or tax benefits, assisting middle and upper income households have risen over the same period from $33.3 billion to a projected $41.3 billion in fiscal 1985. Clearly, equity is already at issue. Rationality is even more in question when we look closely at the housing needs of older Americans.

Let me touch on some of the more important facts in this area.

Most older Americans are homeowners. Nearly three-fourths of all persons over age 65 own their own homes. But many of them have insufficient income and no significant assets other than their houses. Elderly renters are poorer than owners, and the majority of older renters are women living alone. These older women typically pay nearly 40 percent of their income just to keep a roof over their heads, leaving very little to cover utilities, food, health care and other basic expenses. It has become fashionable to think that older Americans have overcome their traditional income disadvantages, having achieved a poverty rate slightly lower than that of the general population. In fact, the vast majority of older persons remained fixed in the lower reaches of the income distribution, with more than 1 in 5 having income in the poor or near poor category. The median elderly household income stands currently at about half that of the nonelderly household. Unfortunately, the economic disadvantage persists.

The situation is worst for the oldest; women in their late seventies and eighties are less likely to have worked and acquired income of their own. Those who did work received much lower wages than those retiring now and were in the labor force for

shorter times. Now, they must get by on minimal Social Security and/or SSI benefits, and often no pension benefits at all. But the problem of housing these individuals goes well beyond the issue of income.

As people age, functional impairments develop, which for many make standard housing arrangements inadequate to their needs. Stairs become barriers; transportation becomes inaccessible; household chores and repair work become overwhelming burdens. Individuals confronting these obstacles do not require institutional care, but they do need suitably designed accommodations and supportive services to remain as active and independent as possible.

Those in fortunate economic circumstances can afford to acquire such accommodations. Most older persons cannot.

I am going to jump quite a bit.

Rather than eliminating housing programs, the Federal Government should continue production of public and Indian housing and, especially, boost growth in the section 202 housing for the elderly and handicapped program. The trend of recent years, which has seen section 202 decline by about 40 percent from production levels of the 1970's, must be reversed. We are quite concerned that if section 202 production were suspended for 2 years, as proposed by the administration, loss of HUD personnel in regional offices and the pressure of continuing budget constraints might eliminate the possibility of reviving it. This would be tragic, given the program's demonstrated success over 30 years in serving older Americans and the manifest need for its continuation.

Also, the section 8 existing program should be continued. The voucher approach which the administration would substitute for section 8 in fiscal 1988 has some features which greatly concern the association. Vouchers have a life of only 5 years, compared with the 15-year availability of section 8 certificates; vouchers are adjusted for inflation only twice over a 5-year period, while section 8 certificates are updated annually; and tenants are able to use the voucher in any way they choose, in contrast to section 8, which must be used in housing that meets fair market rent standards.

The administration believes that vouchers can provide an incentive for tenants to seek the least expensive housing available, thereby enabling them to keep the savings achieved through finding a unit cheaper than the fair market rent. Our concern is that such a prospect is unlikely, at best, in a tight rental market. More likely, tenants will end up paying much more out-of-pocket to obtain housing, as in most situations the housing they find will exceed the rent permissible under section 8 existing. Moreover, older persons would be at a distinct disadvantage in seeking whatever housing is available. Those with mobility impairments and activity limitations are not in a position to compete with more able-bodied individuals to find appropriate and affordable units, and we do not believe that housing with the special features needed by functionally impaired older persons will be generated merely in response to the existence of housing vouchers on the market.

In conclusion, I want to assure you that AARP fully recognizes that our Nation must hold down spending because of the magnitude of the budget deficit. This can be achieved, we strongly believe, in an adequate equitable manner without slashing valuable

housing programs for low-income older persons and others who are now facing critical shortages of decent, affordable and appropriately designed shelter.

The Association commends you and other members of this panel for your staunch and continuing support of housing programs to serve older Americans. We appreciate your convening this hearing to permit an airing of views as to the impact of the fiscal 1986 budget on the housing situation of the elderly.

Thank you.

[The prepared statement of Mr. Heeren follows:]

STATEMENT OF THE AMERICAN ASSOCIATION OF RETIRED PERSONS

Mr. Chairman, I am Russell Heeren, a member of the National Legislative Council of the American Association for Retired Persons and a AARP Coordinator for New Jersey. The Association welcomes this opportunity to testify regarding the FY 1986 budget and the housing needs of the elderly.

AARP believes that the provision of appropriate, affordable housing with access to supportive services for older persons is of compelling importance. There is an unmet need for such housing now; it will rapidly become much more pressing as time passes and the older population grown in number and as a proportion of the general population.

Housing budget proposals for FY 1986 should be examined in the context of past policy decisions and current and future housing needs. Absent these considerations, new policy decisions are not likely to be either equitable or rational.

The salient fact with regard to past budget policy is that direct spending for federally assisted, low income housing has been cut by over 60 percent since 1981, from about $30 billion to $10.7 billion in FY 1985. This reduction makes housing proportionately the hardest hit component of the federal budget in recent years. Although elderly housing has been hurt less than other programs, there have been steady reductions in assistance to low-income older persons as well.

It is worth noting the indirect housing-related expenditures (tax benefits) assisting middle and upper income households have risen over this same period from $33.3 billion to a projected $41.3 billion in FY 85. Clearly, equity is already at issue.

Rationality is even more in question when we look closely at the housing needs of older Americans. Let me touch on some of the more important in this area.

Most older Americans are homeowners—nearly three quarters of persons over age 65 own their own homes—but many of them have insufficient income and no significant assets other than their houses. Elderly renters are poorer than owners, and the majority of older renters are women living alone. These older women typically pay nearly 40% of their income just to keep a roof over their heads—leaving very little to cover utilities, food, health care and other basic expenses.

It has become fashionable to think that older Americans have overcome their traditional income disadvantage, having achieved a poverty rate slightly lower than that of the general population. In fact, the vast majority of older persons remain fixed in the lower reaches of the income distribution, with more than one in five having income in the poor or near poor category. The median elderly household income currently stands at about half that of the non-elderly household. Unfortunately the disadvantage persists.

The situation is worse for the oldest. Women in their late seventies and eighties are less likely to have worked and acquired income of their own. Those who did work received much lower wages than those retiring now, and were in the labor force for shorter terms. Now they must get by on minimal Social Security and/or SSI benefits and, often, no pension benefits at all.

But the problem of housing these individuals goes well beyond the issue of income. As people age, functional impairments develop for many which make standard housing arrangements inadequate to their needs. Stairs become barriers, transportation become inaccessible, household chores and repair work become overwhelming burdens. Individuals confronting these obstacles do not require institutional care—but they do need suitably designed accommodations and supportive services to remain as active and independent as possible. Those in fortunate economic circumstances can afford to acquire such accommodations; most older persons cannot.

The primary source of assistance to such persons with low and moderate income has come from federal housing programs. More than 600,000 low income older households live in public housing designed for those over age 62. Over 800,000 older households occupy housing built or rehabilitated for their use or subsidized under the Section 8 program. Section 202 housing for elderly and handicapped serves close to 150,000 elderly households. The Congregate Housing Services Program provides supportive services to sixty-three public and private, non-profit housing projects around the nation. Low and moderate income older homeowners have benefitted from home repair loans and grants under the Community Development Block Grant.

These programs, operated by the Department of Housing and Urban Development (HUD), function mainly in urban and suburban areas. In non-metropolitan areas, where about a third of the older population resides, HUD programs have not worked as well. But the Farmer's Home Administration, utilizing a network of local country offices, has filled in at least some of the gaps. Low income older renters may get part of their rent paid through the Section 521 program, and close to 100,000 such households live in rental units built under Section 515. Some 50,000 older homeowners have received grants for home repair under the Section 504 program.

Nevertheless, taken together, HUD and FmHA programs still fall dramatically short of meeting the need that exists for affordable, appropriate senior housing. It is estimated that three and a half million elderly households subsist on incomes of less than $5,000 yearly, yet only half a million of them receive assistance under federal housing programs. Long waiting lists have accumulated for Senior housing projects, and most of those waiting will never gain access. In Section 202's, fewer than one-fifth of the units turn over per year. As a result, many eligible older persons do not even bother to fill out an application for entry.

Those who have managed to get into Section 202 and public housing designed for older persons are "aging in place," and many of these projects are unprepared to provide the range and volume of personal care and other services necessary to prevent premature institutionalization. Hence, the situation grows more critical every day.

What should be the Federal Government's response to this situation? In the Association's view, it is to acknowledge the crisis at hand and bend every effort—within fiscal feasibility—to address it. At a minimum, this implies preserving the current low income housing stock through provision of adequate operating subsidies and modernization funds, home repair and weatherization assistance. It also implies the rejection of administrative regulations or divestment policies that would permit existing federal low income housing to be sold, demolished, abandoned or otherwise removed from access by low income persons in need.

Second, a positive federal response to the housing crisis should include action to expand the housing options now available. Losses to the nation's low income housing stock occur daily through rent increases, condominium conversions, deterioration and abandonment, while at the same time new households are formed which increase pressure on the available supply. The elderly population, now numbering about 26 million, has been projected to reach a level of 35 million by the turn of the century, and could go as high as 54 million by the year 2030. It is not surprising then, that a recent University of Michigan study called for production of 235,000 units per year for the next 20 years in anticipation of growth in demand among older persons alone.

Rather than eliminating housing programs, the federal government should continue production of public and Indian housing, and especially, boost growth in the Section 202 housing for the elderly and handicapped program. The trend of recent years, which has seen Section 202 decline by about 40 percent from production levels of the 1970's, must be reversed. We are quite concerned that if Section 202 production were suspended for two years as proposed by the Administration, loss of HUD personnel and regional offices and the pressure of continuing budget constraints might eliminate the possibility of reviving it. This would be tragic, given the program's demonstrated success over many years in serving older Americans and the manifest need for its continuation.

Also, the Section 8 existing program should be continued. The voucher approach which the Administration would substitute for Section 8 in FY 1988 has some features which greatly concern the Association: vouchers have a life of only 5 years, compared with the 15-year availability of Section 8 rent assistance certificates; the voucher subsidy amount would be adjusted only twice over a five-year period, while Section 8 certificates are updated in line with housing costs annually; and tenants are able to use the voucher in any housing that meets Fair Market Rent standards.

The Administration believes that vouchers can provide an incentive for tenants to seek the least expensive housing available, thereby enabling them to keep the savings achieved through finding a unit cheaper than the fair market rent. Our concern is that such a prospect is unlikely at best in a tight rental market; more likely, tenants will end up paying much more out-of-pocket to obtain housing, as in most situations the housing they find will exceed the rents permissible under Section 8 Existing.

Moreover, older persons will be at a distinct disadvantage in seeking whatever housing is available; those with mobility impairments and activity limitations are not in a position to compete with more able-bodied individuals to find appropriate and affordable units. And we do not believe that housing with the special features needed by functionally-impaired older persons will be generated merely in response to the existence of housing vouchers on the market.

In line with this view, the Association feels strongly that the Congregate Housing Services Program should be continued and strengthened. For older persons above all, housing cannot be just bricks and mortar; provision must be made for supportive services—transportation, nutrition, personal care or chore assistance—to facilitate individuals' continued independence and involvement with community life. A preliminary evaluation of CHSP has shown the potential for significant savings over institutionalization, yet this program has not been expanded beyond a handful of projects around the country. It is time to recognize the program's merits and act accordingly.

Finally, the Association supports the preservation of rural housing programs administered by FmHA. There is a continuing need in rural areas for the home repair and rental construction programs, especially, that serve low income older persons. Assigning HUD responsibility for providing assistance to these areas, particularly with reduced resources, will not address this need.

For these reasons, AARP is pleased that the House and Senate passed Budget Resolutions for FY 1986 assume a continuation of both HUD and FmHA housing assistance programs. Our Association strongly prefers the House version of the resolution because it would provide a 3 percent inflation increase in HUD programs, as opposed to a Senate freeze; also, while we do not support any decrease in FmHA rural housing assistance, the House budget would reduce FmHA programs by far less than would the Senate.

In closing, I want to assure you that the AARP fully recognizes that our Nation must hold down spending because of the magnitude of the budget deficit. This can be achieved, we strongly believe, in an equitable manner without slashing valuable housing programs for low income older persons and others who are now facing critical shortages of decent, affordable, and appropriately designed shelter. The Association commends you and other members of this panel for your staunch and continuing support of housing programs to serve older Americans. We appreciate your convening this hearing to permit an airing of views as the impact of the FY 1986 budget on the housing situation of the elderly.

Mr. RINALDO. Thank you, Mr. Heeren.
Dr. Chiurco.

STATEMENT OF JANE CHIURCO, DIRECTOR OF TRENTON LIFE

Dr. CHIURCO. My name is Jane Chiurco and I am head of a private, nonprofit organization called Trenton LIFE, which is Living Independently For the Elderly. We were formed in August 1983 as a private group interested in developing alternative housing for the elderly. Our goal was to develop housing to allow impaired or socially deprived elderly to maintain or return to a semi-independent lifestyle, feeling that there were no alternatives between living alone or being institutionalized. We felt the need for supervised living, but not institutionalization; semi-independence, social exchange; finding a use for existing large houses; providing housing and jobs for young people; keeping the cost of living less than being in a single home or a nursing home; providing nutritional meals and transportation. Our method would be to form a living unit in a large existing house. Each person would have a totally private area to himself or herself. Dining facilities would be shared, and a

person or couple would live in the home and provide congregate meals, housekeeping, transportation, and supervision.

To this end, we have recently purchased a 17-room, 3-story brick home on South Broad Street in Trenton. The cost of the home was $59,000. We needed $10,000 to close on the house. We will spend about $30,000 to bring the house up to the codes of the rooming and boarding home code, and need about $10,000 more to run the home until it is fully occupied. We hope to have five or six people live in the home and have a full-time homemaker supervise the living there.

To date, we have raised $25,000; $10,000 from a corporation, $10,000 from the nonprofit foundation, and $5,000 from individual sources.

The home will provide three meals a day and have 24-hour supervision, and we hope that the total monthly cost will remain about $500 per person, per month.

Our goal is to use this first house as a model, and to go on and do a series of other shared homes.

Thank you.

Mr. RINALDO. Thank you.

We will now proceed with questions.

I want to begin with a question for Mr. Laracy.

In your written statement you say, and I will quote:

> During the last few years, Governor Kean and the legislature have been hard at work to provide our aging population with what they need to remain secure and self-sufficient in their own communities. Through the Department of Human Services, for example, we have made available two programs, Channeling and Community Care Program for the elderly and disabled, which demonstrate how intensive case management in an array of home and community-based health and social services can allow people to stay in their own residences.

Isn't the Channeling Program financed through Federal funds and the Community Care Program financed with Medicaid funds, Federal and State moneys?

Mr. LARACY. Both programs were congressional initiatives, yes. Both programs rely on Federal and State dollars. The 2176 was a section in the Omnibus Budget Reconciliation Act and enabled States to elect to provide home and community based care, using a 50–50 match formula; yes. And the Congress has taken a very consistent lead in expanding home care over the last, I would say, 10 years at least.

Mr. RINALDO. Thank you very much.

Mr. West, on page 4 of your written testimony you say: "This Nation should not require its elderly to abandon the concept of suitable home ownership based solely on age." What do you mean by that statement?

Mr. WEST. Well, essentially, based on the system that currently is in place, homeownership is, in many instances, not an option that is available to the older person because of diminished resources due to the lack of affordable housing that they can own. What we are saying is that the American system supports the concept, historically has supported the concept of homeownership as being an ideal situation one should be in. And in many instances, the aging population has been forced to reverse that concept; only because they have reached the magic age of 65, they have been

suddenly reduced in terms of resources, and homeownership no longer becomes a viable alternative for them.

Mr. RINALDO. What would you propose to change this situation around?

Mr. WEST. Well, one of the things would be to make available some additional housing options that would provide for homeownership, as an example. We have indicated that there are a substantial number of elderly people who are living in houses that are architecturally inappropriate, too large or too expensive. There should not be any reason why there should not be a market available to the elderly of affordable housing that would accommodate their specialized needs that would provoke ownership; that they should not have to give up ownership only because of the fact they have reached an age and the necessary factors that go along with reaching that magic age.

Mr. RINALDO. You are talking about loans, in other words?

Mr. WEST. Or those elderly who currently own—low- and moderate-income elderly; those individuals who currently own their homes. As you are well aware, we have a lot of elderly people who are living in homes in which they have raised their families, and there is really no need for having such a large home. And in many instances they stay there in their home until such time they can no longer afford it, or it becomes architecturally impossible for them to move around and have the kind of mobility that is example. So what normally happens is that a home is then sold and they look for a rental unit which they can afford. But there should not be the necessity of giving up homeownership just because of being elderly.

Mr. RINALDO. Well, some seniors have testified in prior hearings that, for a whole variety of reasons, many of them want to give up their homes. They give up their homes because they are too large; they give up their homes because the children are grown; they give up their homes because they do not want the responsibility anymore; they move into senior citizen housing; some of them move into moderate price condominiums. So there are some avenues at the present time.

Mr. WEST. Yes, there are. We are not saying there are none, but the opportunity to move into affordable ownership homes or with the individual selling one home and moving to a smaller unit that can accommodate them both architecturally and emotionally is a key factor.

What we are saying, basically, is that there must be that option available to them, and there is not much in the way of options as it relates to homeownership.

Mr. RINALDO. I am concerned, very concerned about having adequate housing for the elderly. But when you tell me you are concerned about someone who owns a large home, selling that large home and not being able to buy a much smaller unit, I just wonder whether or not there are any statistics or facts that back up that particular statement; and, if there are, I would certainly like you to send them to us so they can be included in the record. I am more concerned about the people who cannot afford a home and who need housing. I think we have to direct our priorities to those people first, as opposed to people who already own a very, very

large home, maybe four or five bedrooms and want to sell it; because I think there is a market for them to sell it. And with the price they get, they ought to be able to buy a lower price home, and it should be available. In most cases, I would assume that it was.

I think most members of the Select Committee on Aging are more concerned with housing for people who cannot afford it.

Mr. WEST. I think that we, too, are concerned about those who are in greatest need. However, in reaching out in terms of serving those needs, we must also recognize the plight of some others. We are not saying that this should be a priority, but it also should be an option which should be available for those who do require it.

Mr. RINALDO. Thank you, Mr. West.

Congressman Smith.

Mr. SMITH. Thank you, Mr. Chairman.

I know that so often the Congress is notorious for doing exactly what is contraindicated. When facing an impending crisis, we often do nothing. I see that happening in my Veterans' Affairs Committee in the area of nursing homes and in the area of geriatric care. The need is there; the demographics indicate an impending crisis in that area also. We are doing too little too late, and we may not be able to accommodate that need. Unfortunately, the same thing is happening in the area of housing.

I, first of all, want to commend all of you for your testimony. We do appreciate it. It will be of help in guiding this committee. I do have some questions, though.

Mr. West, you referred to a master plan. And you will recall a few months ago when Janet Hale testified, I was trying to encourage HUD to do a detailed analysis of need and also to come up with a mix—as you indicated also—of various programs to accommodate and alleviate that need.

The problem is that we, again, we do not seem to agree on our stats as to what the need really is. You indicated about a fifth of the housing—I believe you said that—is substandard or inadequate. I have seen surveys that have suggested that up to a third of the housing is substandard and inadequate. So we really do not even have a handle on just how pervasive the need is.

But in your testimony you do note that we need more section 8 units, and we need more units of section 202 housing.

I would appreciate if you could—and Ms. Zahora may want to touch on this also—touch on what numbers we are talking about, both in New Jersey as well as nationally.

Mr. WEST. Well, I can speak specifically for Mercer County. One of the things that we have been trying to encourage those existing housing administrators is to maintain a waiting list. Unfortunately, in the past, a number of the housing authorities and private nonprofit housing units have discouraged people from making applications only because what happens is they know there are no immediate vacancies and that there won't be any within the very near future. Housing is full.

Mr. SMITH. Excuse me. Do you know how many people never even go through that form application?

Mr. WEST. No. But we know that there are individuals who do not even make an attempt because they perceive the waiting list as

being there. And with the fact that many of the housing units have not maintained the waiting list or encouraged people to get on the list, it makes it difficult sometimes and somewhat misleading at times when you are trying to determine what the housing needs are. Just based on housing—people on waiting lists currently in Mercer, I would say there are, roughly, anywhere between 1,500 and 2,000 people who are on different waiting lists throughout Mercer County who require elderly housing.

Mr. SMITH. Mr. West, as you may know, some of the surveys indicate that the average waiting list is about 16 months nationwide. What is the situation here in Mercer?

Mr. WEST. Well, it depends on the housing units. We have found that, of course, with newer constructed housing, the possibility of gaining entry is almost nil. With some of the older housing in some of our urban areas, we have found that the waiting time has been reduced as low as 6 months, in some instances. But, unfortunately, as I said, I think there is a much greater need that exists than what really can be documented to any great extent. And we have, as I indicated, encouraged people to begin to receive those applications so that people such as yourselves can point to the fact that here is an existing need.

Mr. SMITH. Ms. Zahora

Ms. ZAHORA. Congressman, there is a whole section of my prepared testimony on these statistics. If I may just add, that of the New Jersey Finance Agency built housing in the State, there is a waiting list of 31,400 people waiting for one of the 16,000 units built before 1984, almost twice as many people as there are units available.

Mr. SMITH. Thank you.

Yes, Mr. Heeren.

Mr. HEEREN. We have a study from the University of Michigan that calls for the construction of 235,000 units per year, for the next 20 years in anticipation of the growth and demand among the older persons. And I imagine this is available to the committee if they would be interested in finding it. But we have——

Mr. SMITH. How recent is that study?

Mr. HEEREN. It says "recent" at the University of Michigan; I would say within the last couple of years.

Mr. SMITH. I have a few other questions for the panelists, and thank you for that comment.

Mr. West and, perhaps, Ms. Zahora or Mr. Laracy, anyone who would like to touch on this; as you know, the amount of money assigned from a person's income to payment of the rent is now at 30 percent. It has been upped, as you know from 25 percent, where it used to be. In your opinion, is that too high?

Mr. WEST. Our records indicate that 30 percent is a substantial amount, particularly the people who are low income. Thirty percent may not be high to many folks, but when you are talking about someone who is realizing $325 or $350 a month as their total income, and you talk about 30 percent of that, it is a substantial amount.

In addition to that, we find that there are some other needs that are normally required that also play a role in the individual's income pattern. And 30 percent for housing, can be considered high

if an individual does not qualify for such programs as the Medicaid Program; it is not unusual for high medical costs to be incurred; if they are not a member of the PAA Program, they, in effect, could realize large drug bills. But we do find that 30 percent is a considerable amount of dollars. If there were no other considerations, we would say no; 30 percent is not. But, too often, it is not the only factor that we are looking at.

Mr. SMITH. That does not include energy costs?

Mr. WEST. Right.

Ms. ZAHORA. Thank you.

I would just like to add that this 30 percent we are talking about is only for those fortunate enough to be living in subsidized housing. When we talk about the overall renting community across the State of New Jersey, we are talking of many people who are paying up to 50 percent of their income, leaving little if any money for the other necessities of life. It is extremely high.

One of the things that we, as a division, were supporting in the use of casino revenue funds was a rental assistance, and this is also the Task Force on Legislative Concerns of the Elderly in the State of New Jersey, which is also very much conerned about the high cost of rent amongst older people.

And, if I may also add, Congressman, thinking about doing more studies, the Division of Aging has been studying housing problems and needs and concerns for 15 years. We would be happy to share any or all of this information with you and the members of the committee should you care to have it.

Mr. SMITH. Thank you.

I have a few more questions before yielding the balance of my time.

Could you tell us, Ms. Zahora, the difference between the HUD Congregate Housing Program and the State program? And if you could also touch, too, on how the money is garnered. I understand that the money for the State program comes from casino revenues.

Ms. ZAHORA. That is correct.

Mr. SMITH. If you could just touch on that, and how much we are talking about.

Ms. ZAHORA. In New Jersey, for the casino revenue money for the Congregate Housing Services Program, which is administered by the Division on Aging, we are talking about a total of $615,000. This supports 23 projects in 15 counties. The average—well, I won't go average. The lowest amount given to any one housing authority is $10,000 and the highest is $58,000, and we are serving approximately 500 people for this $615,000.

The nature of the projects are basically the same, but if I may get into cost comparison, the HUD project in New Jersey is $135,000, and that is serving 30 people. We do believe that there is a decent comparison there in favor of our program being quite efficient.

One of the major differences is that the HUD program requires two meals a day, 7 days a week. Our congregate services program requires one fully balanced nutritious meal per day for 7 days a week. We also require some housekeeping services, chore services, as do they. They also require some transportation.

Now, one of the things that they do not include in their costs is the cost of the coordinator for the program. Our services do include the cost of the coordinator. Their program serves up to 20 percent of the total residences in the building; ours is 25 percent.

We operate all of ours on a sliding scale figure, with purchasing whatever component of that service that you, the resident, needs. In some cases, HUD does operate on a sliding scale, but they do not have that flat requirement for all of their programs.

Mr. SMITH. Thank you. And one final question now for Mr. Laracy. Can you tell us more about the peer grouping system and the Medically Needy Program?

Mr. LARACY. The Medically Needy is an optional State service under Medicaid. What it allows States to do is serve categorically related individuals and families. By that jargon, I mean people who do not meet the strict income and assets requirements for either SSI—Supplemental Security Income for the elderly and disabled—or AFDC—what most people consider welfare. Many people, who have a source of income that puts them a few dollars above the SSI or AFDC level, are not eligible for the array of medicaid services. And that notch effect is very inequitable and sometimes devastating to families. What Medically Needy does is help to mitigate the notch and, therefore, allow people who are up to 33 percent higher than the AFDC standard to receive a mix of medicaid services. Moreover, people who incur catastrophic or recurring health care bills can spend down to that level, using their payment for health services as a sort of a cost share. It is a very complicated program. It is not a panacea. New Jersey has not had one, but we think implementing it in the next fiscal year will be a great benefit to many families and individuals, particularly, we think young mothers with children. There are very good benefits in maternal coverage and for child health care.

As for peer grouping, the State Medicaid reimbursement system for nursing homes does not pay total cost; it pays a reasonable cost. It allows an efficient nursing home to operate at a break-even level or make a very small profit. County nursing homes, county-operated nursing homes, such as across the street, tend to have a higher cost almost consistently, for a variety of reasons. They are older plants. Very often they take patients who are difficult to care for whom private nursing homes would not accept. They have better benefit packages for employees; the employees have been around much longer and there is less turnover because of the benefits. So their costs are much higher, sometimes twice as high. Medicaid does not pay the full cost. We pay basically the same we would a proprietary facility that is operating efficiently.

Through an agreement with the New Jersey Association of Counties, we are working out a way that we can reimburse the county nursing homes for somewhat closer to true costs. Also, we are asking them as part of the agreement to then turn around and take some of that additional revenue they will be receiving into the home care system, so that not as much money is going toward institutional care. So the counties will be moving more and more toward a balanced long-term care system, one of incorporating adult daycare, Meals on Wheels, homemakers services, services like

that. The counties are already doing that and we are just trying to provide them with resources to do more of it.

Mr. RINALDO. Thank you, Congressman Smith.

Congressman Saxton.

Mr. SAXTON. I will just ask one question and, perhaps, ask each of you to respond to it from your own perspective as specifically as you can. But let me congratulate Ms. Chiurco and her organization. I think what you are doing is certainly very very nice and certainly very very worthwhile. And, certainly, a lot of the good things that have happened in this country have happened because of organizations like yours. And from our perspective we appreciate that very much.

What we have talked about this morning with this panel in particular are Government programs that are aimed at solving a problem that we all know exists and is a very very serious one. And those programs, while they certainly all doing something to ameliorate this problem that we have relative to housing, are also limited. I think there is a good possibility, or a danger, maybe you might call it, that there will be some freezes in HUD programs around the corner. There are those proposals out there because of our economic problems. This year, fortunately, the State of New Jersey is in pretty good financial shape and is able to spend more than perhaps they could have in the past and perhaps more than it will be able to in the future. So there are many approaches to solving the problems that exist.

One of the things that was mentioned by almost each of you was competition in housing. Mr. West talked about a master plan. And one of the issues that has been in the forefront of this whole subject of providing housing is the various limitations on getting it built, limitations of money on the part of the Federal Government and the State government, and limitations of availability because private builders don't build. They do not build for a number of reasons. Some are economic and some are because of things the Government has done.

One of the things that has stopped people from building is rent control. It is a controversial item. It has worked to the benefit of many people, perhaps some who are here. It is working to the disadvantage of people 5 or 10 years from now who won't be able to find an apartment to live in because none are being built.

There is a proposal in the State legislature—and this is what I would like you to react to. There is a proposal in the State legislature that says very simply that municipalities that choose to enact rent control may do so. However, any new project that comes on line would be exempt from that rent control. What would that do? It would protect those who are currently living in apartments which are subject to rent control and it would also make it possible for builders or developers or whoever to borrow money, which they currently can't do in rent control municipalities because there is no guarantee that there is going to be a profit there for them and they certainly are not going to make an investment.

So I am not just interested to see whether or not you think that because of the competition that Russ Heeren mentioned, because of the shortage that we know exists, because there are no new private starts coming on line in those communities which have rent con-

trol, is the protection there for people who currently are under rent control, and would that proposal, from each of your perspectives, increase the number of units, to lessen the competition, and to let the laws of buy and demand work to the benefit of senior citizens who need moderate-income housing?

Mr. LARACY. I am going to sound like a bureaucrat, but that is something I am very knowledgeable about. It is not my department.

I cannot really comment on it except to say that the population that we are most concerned about, the most elderly, the population 75 and 85 and older, I don't think would be dramatically affected by that legislation since they tend to live in either subsidized housing of a senior citizen housing sort, or with their families, or in other special living arrangements. That type of market dynamics would not affect our client population, I think, dramatically. So I really cannot say too much about it.

Ms. ZAHORA. I would like to give it more thought before giving you a concrete answer. But right off the top, I would say I don't believe it would make much difference. And I base my opinion on the fact that there are so many many communities throughout the State which do not have anything to do with rent control. And I do not see any housing starts in those communities anyway.

I am not sure that that is—it may be a partial answer to the problem, but I really don't think it is the only answer and I cannot really see it as a solution to the lack of architecturally sound, senior citizen housing.

Mr. SAXTON. If I may say, I do not either and I do not either see the Federal programs as the total solution nor do I see the State program as the total solution. I think what Mr. Carl West suggested is that we need a master plan, and I am just wondering if this one segment might be a helpful part of such a plan.

Ms. ZAHORA. It may be. It is interesting that you mentioned this because I live in an apartment myself, and my neighbor is an 82-year-old man. Last night—we all got rent increases as of just recently—and he showed me a letter that he wrote to management, telling management what his Social Security increase was in comparison to this new rental increase, and saying that they just do not match; there is no way he can do this. And he said to me, "What can you do about this? Can you do anything?" And I did tell him that this is a local option.

And I really think it still has to be a local option. I am sure that there are many, many older people living on fixed incomes who would definitely appreciate having a statewide rent control system in place. I am not sure that the local communities would want to have a part of this. It really, I believe, has to be a local decision.

Mr. SAXTON. I am not going to carry this on, but the proposal is not to have statewide rent control; the proposal is to exempt all new starts from rent control.

Mr. WEST. Well, being one of those down on the firing line, we have an opportunity to see firsthand some of the benefits of rent control. I think if we had our druthers, we would say we would encourage a rent control municipality. However, I am not too sure whether, in fact, I would say for additional construction, it can be solely made at the feet of our rent control. We have found that

landlords who are in rent-control districts have been realizing what can be considered a reasonable profit. New tenants coming in are not, of course, in the same range as the older tenants. We have found great benefits to the elderly as a result of rent control. And I think the controversy will probably rage on for quite a while.

I think there must be some kind of balance. And I think what we need to do is really look at it and see what the long range effect has been and what the implications are of continuing with such a program. I think that way and only that way can we really be able to begin to chart our course in terms of where we are going in the next 10, 15, or 20 years.

Mr. HEEREN. I imagine we would definitely support rent control. But I think there is a problem sometimes that we face with rent control. We see landlords leaving properties because they don't get enough income, and abandoning them and allowing them to go in ruins. I think that is one of the things we have seen in New York City in some places.

I, personally, feel that would be a good thing for seniors. How many would have that advantage, I could not say.

Mr. RINALDO. Well, I certainly want to thank our panel. You have been very very helpful and we appreciate your time and consideration.

I would like to announce that anyone in the audience who wants to send comments, written comments to be included in the record may do so. You merely send them to the Select Committee on Aging in Washington, DC, 20515. It will get to us and it will be included in the record.

At this point, if anyone would like to speak, we will allow anyone who wants to speak to give a 1-minute talk on the record. So, if you do, just step up to the hearing table.

Mr. SMITH. I understand that Michael Rusnak would like to make a comment, also; he is in the audience.

Mr. RINALDO. Anyone at all.

The statement will be included in the record in full.

Mr. FEINBERG. A brief statement.

Mr. RINALDO. All right, you may proceed. Please state your name and address.

STATEMENT OF MILTON FEINBERG, RESIDENT OF TRENTON, NJ

Mr. FEINBERG. My name is Milton Feinberg. I live at 4 Peso Drive, Trenton, Hamilton Township.

I believe that the statement made, or the announcement that this was a housing crisis, emerging housing crisis in America is well put. However, because I am a resident of Trenton and of Mercer County, I would like to address my remarks to the needs in this area.

I had passed up to Congressman Smith a statement concerning a discrepancy between the comments made by Ms. Hale and the record of testimony before the House Committee on Aging and also to the House Banking Committee. And Mr. Russ Heeren gave those statistics; namely, that between 1981 and 1985, there has been a 60-percent cut in aid given for Federal housing. And I just wondered, and I had hoped that Mr. Smith would have asked Ms. Hale why

the discrepancy, because Mr. Heeren's testimony confirmed the fact that instead of the picture being a bright one, it is really a dismal one. And the comments made by the various Congressmen and the testimony right down the line indicate that there is a tremendous need in Mercer County.

By statistics, there are 4,488 people in Mercer County who are below the poverty level; the poverty level being for a single person, $3,300; and for a couple, $4,600; or something in that area.

Now, these are the people—and especially I want to address my remarks to the city of Trenton and the needs, because the kind of project that Ms. Chiurco was talking about, what you felt was good, is the one that calls for private enterprise getting behind it. The private sector financing will not furnish the kind of need that is needed. And the AARP in its testimony has indicated that.

So, in sum and substance, what I want to indicate is that there is a tremendous need in the city of Trenton not because there is room for new housing, but there is room for rehabilitated housing. And a number of projects in Trenton have proven the value of having that kind of support. So I urge this committee, since it is here in Mercer County and is concerned—of course, the other counties are also involved, but because I come from Mercer County, vote here, and feel strongly that there has to be a concentration of thought, effort and money in meeting the needs, as Mr. West has pointed out, from the county; Ms. Zahora, from the point of view of the State.

Thank you very much.

Mr. RINALDO. Thank you, Mr. Feinberg.

Is there anyone else?

Please give your name and address, and then you may proceed.

STATEMENT OF BETTY YOKEL, RESIDENT OF OCEAN COUNTY, NJ

Ms. YOKEL. My name is Betty Yokel, and I am from Ocean County, NJ.

The question that I would like to direct is in reference to my mother, who is living in Staten Island under the section 8 program. And, due to hardships, we had to move her from New York to New Jersey.

They told me that, as of last summer, she would be put on another waiting list. And, as a result, we have been waiting now for almost a year, and she is paying over $400 a month rent; which I, personally, figured out is about 74 percent of what her monthly check is.

My question is this; why is it taking so long if it is a Federal program and you are just transferring it from one State to another?

Mr. SAXTON. I would say this, Betty—I did not get your last name—if you would like, one of the primary responsibilities of my congressional office, as well as that of my colleague, is a function on constituent case work. What we do is, with an individual request like this, we take all the facts concerning it; we contact the appropriate agencies, and we help to facilitate an answer for you.

At the conclusion of today's hearing, I would gladly take down all the information and we will contact the appropriate people and find out what the problem is.

We have had in this district, the Fourth Congressional District, about 16,000 individual case work problems in my 3 terms as a Member of the House. So, clearly, there are a lot of problems with the various bureaucracies. They have large case loads, themselves. So we can easily look into this and try to get an answer for you.

So at the conclusion, please come up and we will meet.

Ms. YOKEL. Thank you.

STATEMENT OF HOWARD KAY, RESIDENT OF LAWRENCEVILLE, NJ

Mr. KAY. My name is Howard Kay. I live at 120 Graff Avenue in Lawrenceville.

I do not think there is any question about the definition of the problem, and I do not think there is any question among any of us as to how severe that problem will be in the near and the far distant future. It will get much much worse; the demographics are inevitable, the inertia.

Gentlemen, you are part of the problem. You represent a group of people who are in power in Washington, whose philosophy includes reducing moneys and effort for social programs that have long been in effect in this country at a time when the particular problem that we are talking about today is overly exacerbated by your actions.

Now, as far as a solution is concerned, it takes——

Mr. SMITH. Are you speaking in general?

Mr. KAY. I am speaking to you.

Mr. SMITH. Us, individually?

Mr. KAY. Individually.

Mr. SMITH. As I pointed out in my opening comments——

Mr. KAY. I am not interested.

Mr. SMITH. If you——

Mr. KAY. I am interested in my statement, and then you can aske me questions. OK?

Mr. SMITH. Continue.

Mr. KAY. I think that is just plain courtesy.

No. 2, I think the solution—nobody has mentioned any solutions. I think the solution takes guts. I think the solution takes social consciousness, and it takes some kind of set of priorities on your part. And that is to vote for a budget for the next year or two that includes the priority called senior citizens. That means reducing the defense budget, possibly; that means increasing taxes in a certain area; and going against the people who are now making policy for this country. You may not want to do it, but you are not going to solve any problems. What you are going to do is redefine the problem year after year after year, as it gets worse and worse and worse.

I am 63 years old; my compatriots are all of my age. And most of them don't have any place to turn to, socially and economically, in the area of housing that we have been discussing today.

Now I will answer any questions.

Mr. RINALDO. There are no questions.

Mr. SMITH. I will just make a brief comment, and that is that we did pass a budget resolution that called for Social Security, mili-

tary, and Federal retirees; it called for an increase in the area of housing assistance for fiscal year 1986. And Mr. Feinberg was speaking before about the reductions in certain areas. What that did not cover, though, is that there has been a major shift to rehab of existing housing stock rather than new construction.

Now, the problem that was recognized from the mid-1970's from before I was in Congress, at least that we were accruing for future generations a very, very large indebtedness that had to be challenged, had to be changed in some way so that we could come up with better programs and meet the needs.

Now, we have been in the transition stage, and that is what section 8 helped to facilitate, a transition to a different way of trying to accommodate that need. We still need section 202's and other kinds of construction programs, but we know that they are very expensive. I am one of those who feels that we need to expand it, and I will be voting for that and pushing for that in the Congress, but we must find more creative approaches because the cost is so high, particularly in the outyears.

Mr. KAY. While you are finding creative approaches, people will be out on the street.

VOICE. I would like to submit this statement on behalf of Mr. Norman Smith, who is president of Project Freedom, Inc. I have two copies here. Will that be sufficient?

Mr. RINALDO. Just give it to the court reporter. It will be included in the record in full.

[Statement of Norman A. Smith follows:]

PREPARED STATEMENT OF NORMAN A. SMITH, PRESIDENT, PROJECT FREEDOM, INC.

My name is Norman A. Smith, and I'm representing Project Freedom, Inc. I want to first thank Congressman Smith for having this hearing today and for giving Project Freedom an opportunity to express our concerns.

Although Project Freedom is a planned housing complex for the physically handicapped, we wanted to speak today because HUD's senior citizens housing program also includes the handicapped. In this regard, we wanted to voice our concern that there is not enough housing for handicapped people.

We support all efforts to provide senior citizens with adequate housing because everyone has a right to have a comfortable place to live, and, of course, every senior citizens complex built means additional handicapped units built. Nevertheless, since we started Project Freedom, we have been made aware of how these so-called handicapped apartment units are not adequate enough in numbers to meet the needs of the disabled. For example, we know of one senior citizen complex in Mercer County that has a two-year waiting list for its handicapped apartments.

In addition, we have been made aware of situations where an available handicapped unit may be denied to a disabled person. For example, if the handicpapped perons has a child, this person will be denied housing. We know of one disabled couple who was denied an apartment last year because they had a young child. We also know of one disabled woman who is a newlywed and is living in a senior citizens complex, and she recently complained to us that she cannot have a baby because she would lose her home because senior citizens complexes do not allow children.

Furthermore, we have learned that some senior citizens complexes have put age restrictions on their handicapped units so that the excesses of youth do not intrude on the tranquility of senior citizens, and as a person who spent a few weekends in a senior complex with a young disabled friend in New York, I can understand the laudable intent of this restriction.

Nevertheless, all of these restrictions on who can live in the handicapped apartments in complexes for senior citizens are increasing the housing shortage for disabled people at a time when we need more housing. Frankly, what is needed are more complexes for handicapped people like Project Freedom.

That proposition, however, leads to the unfortunate problem of housing needs of the senior citizens and the disabled competing against each other, which is a bad idea because, honestly, both groups need to help each other. We strongly feel that there should be a separate fund of money for handicapped housing so that senior citizens and disabled people will have adequate housing.

In this regard, we want to point out that H.R. 1774, introduced by Congressman Stewart R. McKinney of Conneticut, has this same idea in mind, and I would urge your consideration of this legislation.

Again, thank you for the opportunity to appear today.

VOICE. I hope you will consider it carefully. I find it a very thoughtful document.

I am the coordinator of handicapped services for the county. And I would like to support everything he has stated in here. Thank you.

Mr. RINALDO. Thank you very much. And that will be considered.

STATEMENT OF CHUCK FITCH, RESIDENT OF EWING TOWNSHIP, NJ

Mr. FITCH. I am Chuck Fitch. I am from Ewing Township.

In case you do not know, over 20 percent of the population in Ewing are 65 years of age and over. But before I get into any further thing, this hearing that you are having this morning is very, very inappropriately timed for the simple reason that you couldn't get a parking space out there. I saw 15 cars with senior citizens that would have liked to have been here, but went home.

Now, please, remember that when school is in session and you ever do have another meeting of this sort, don't time it when there is no—I went around half an hour looking for a parking space. But I thought enough of this meeting to find one, regardless of where it was, to come here.

Now, my second thing is simply this. Before these entrepreneurs and developers get their hands on Federal funds, which has happened, make sure that somewhere in your code or in your law you provide for a supermarket or a grocery store of a huge size within walking distance.

Now, they did propose one in the Rollerberig area in Ewing Township. There is no store nowhere near that place. Now, take the opposite view. The Stokley Housing over on Laler Street, there is an Acme right there. Take the Luther Towers, they've got it. Now, you take the one on Market and Broad Street, where are those people going to go within walking distance to buy groceries? This is what I am concerned about.

I'm going to tell you something else, too. We seniors are becoming sort of a special interest group. I watched you fellows perform. Some of you, I saw; some of you I did see. But you better rest assured that the seniors are really awakening, and they do vote. This has nothing to do with politics, but they do vote, and please remember.

I happen to be 70 years old, and a lot of this stuff that I heard here today I do not necessarily agree with because it's got one point of view. I happen to be president of a club that has 250 members. I hear from them. And I'm also on the advisory committee, the Township Committee on Senior Citizen Affairs, and I think sometimes I'm telling it you from—like they would say— from the horse's mouth.

Thank you.

STATEMENT OF MICHAEL RUSNAK, RESIDENT OF TRENTON, NJ

Mr. RUSNAK. My name is Michael Rusnak, 1733 Arena Drive, Trenton.

I was invited by the Honorable Christopher Smith to this hearing.

Due to my bedridden 93-year-old mother-in-law, I would make my comments as briefly as possible, although this is only the tip of the iceberg.

After four attempts to have my mother-in-law admitted to the hospital, finally she was admitted due to dehydration. Although her mind and other body functions were deteriorating since last March 1985, after 2 weeks in the hospital, they could not wait to send her home. They say her condition is not sickness or illness. She cannot feed herself, sit up, or any of the normal everyday functions.

On aging, a person in this kind of condition, besides housing, also needs other necessary services.

I invite everyone on this committee to my home. Firsthand facts and information you will receive and will clearly understand what I am talking about.

If the U.S. Senators need that $10,000 raise of last year, while at the same time cutting out the cost of living for Social Security recipients is beyond belief. Sure, aging people need housing. They also need the necessary money and care, the same as those U.S. Senators.

Thank you for letting me express my comments. At this time, I wish to thank Hon. Congressman Mr. Smith for letting me express my comments.

I thank you.

STATEMENT OF LORRAINE STOLOVE, ASSISTANT EXECUTIVE DIRECTOR, MONMOUTH COUNTY OFFICE ON AGING

Ms. STOLOVE. My name is Lorraine Stolove. I am the assistant executive director, with the Monmouth County Office on Aging.

In the course of the past year, the Monmouth County Office on Aging has received hundreds of calls and inquiries on where and how to obtain safe, affordable senior citizen housing.

As in the past, we have always complied with a listing of the existing housing and the accompanying statement that the senior citizen housing picture in Monmouth County is bleak; waiting lists for most senior citizen apartments, 2 to 4 years long. This fills our seniors with fright and despair. Where are they to live; how can they afford to pay the rental increases that they now are faced with in their present living arrangements.

I would like to cite three brief case histories of current clients of the Monmouth County Office on Aging whom we are working with, just to make the picture very very clear in dollars and cents.

We have a lady who is 71 years old. She pays a monthly rental of $250. Her total monthly income is $376. If we do some simple arithmetic, we see that she is left with all of $126 a month, for food, clothing, utilities, et cetera. Why, only Friday, she called me and

said to me she cannot afford decent underwear. I think this is a crime and an outrage.

Her name has been on county rental assistance lists for 2 years. She will not be called for another 2 to 3 years. How is she going to continue? She loves her small apartment. She may never live to see rental assistance. She needs help.

We have another gentleman; he is 79. He is a homeless gentleman, something that was not approached in today's hearing at all. He wants to live in Freehold, where he has lived most of his life. Freehold is a town where he can walk to stores, public transportation, doctors and other services. He has sought decent affordable housing in the Freehold area for 2 years. None exists. He has sought the help of the Monmouth County Office on Aging and the Monmouth County Board of Social Services. We, too, have tried in vain to find housing that Mr. W. can afford. His total monthly income is $284.

Another case in point is an elderly handicapped lady of 70, who lives with her 20-year-old grandson, whom she has raised since birth. She has just received notification that her building has been sold. The new owner plans on tearing the building down. Where is she to live? Who will accept her and her 20-year-old grandson who is her caretaker? Her income is $356 a month, and her grandson, who tries very very hard to help, earns only about $75 a week. Her needs are great and so are her grandson's, and where shall they live.

Thank you for this opportunity to report to you.

Mr. RINALDO. Thank you very much.

This hearing of the Select Committee on Aging is now adjourned. And I want to thank everyone for coming and, particularly, our witnesses for the assistance they have given this committee.

Thank you.

[Whereupon, at 11:40 a.m., the hearing was adjourned.]

APPENDIX

644 VALLEY ROAD,
P.O. BOX 144,
Brielle, NJ, June 17, 1985.

Hon. CHRISTOPHER SMITH,
655 Park Avenue, Hwy. #33,
Freehold, NJ.

DEAR MR. SMITH: I am writing this letter in response to your mailing regarding Senior Citizen Housing. I hope that what I have to say may be of some benefit to you.

In 1974 my mother leased a garden apartment in Point Pleasant Beach and her rent at that time was not more than $190. Each year she has renewed her lease along with an increase in her rent. This year she is paying $475 rent a month for a one bedroom apartment. For a number of years her rent increase was about equal to her Social Security increase. She presently receives $675, a month from Social Security along with a small (less than $100) monthly interest check from a C.D. she has. This spring she was notified by the owners in a letter stuck on her front door that in the future when a lease expires, it will not be renewed on a yearly basis anymore but on a monthly basis with a 10% increase due the first month. As of 1986 her first month's rent would be $522.50. Since my mother will be 81 in September and her health is beginning to fail, she is not going to renew her lease but not because of her age or health (she would like to be independent for as long as possible) but because she feels she can no longer afford to pay these increases on her limited income along with the uncertainty of when another increase would be put into effect.

Needless to say this has been a cruel blow to her ego. She is not happy about having to give up her apartment and the friends she has there. Fortunately my husband and I have more than enough room for her to live with us and will see that she continues to see her friends as she does not drive but things will not be the same for her.

I know her situation is not unique, but I wonder about other seniors who face the same dilemma. Do they pay their rent and skimp on their food budget? If they have no family who will welcome them into their homes, who do they turn to or where do they go? It is a very fearful situation they are put into for as your know most seniors are very set in their ways and can be very easily upset by some major change in their way of living. Yes, I do agree with you that s shortage of senior citizen housing does exist most particularly in our area as I have tried to find some alternative for my mother but there seems to be none that is affordable.

I also feel that while this shortage exists something should be done about some form of rent control for our seniors. In eleven years my mother has experienced a 250% rent increase! I also realize a landlord would like to receive a profit from his investment but I consider an average rent increase of 22% a year a bit too steep for those on a fixed income. I hope my thoughts will be of some help to you.

Sincerely,

MARGARET A. LOMAX (Mrs. JOHN W.).

HOUSING AUTHORITY,
Elizabeth, NJ, June 14, 1985.

Hon. CHRIS SMITH,
Member of Congress, 422 Cannon Office Building, Washington, DC.

DEAR CONGRESSMAN: I will not be able to attend your hearing in Hamilton on June 17, 1985, but I would like to give you my comments concerning Senior Citizen Housing.

The original concept of housing for the elderly, as approved by Congress, was to build apartments, called Senior Projects, exclusively for Senior Citizens, which was excellent.

However, lately, changes have been taking place in that original intent of Congress. H.U.D. now allows, and states clearly, that persons under age sixty-two (62), who are disabled or handicapped, must be considered "family" and now qualify to be housed in Senior Citizens Projects even though they may be 18, 19, 20 or 25, years old, or any other age under sixty-two (62), single parents, singles, etc.

This presents many problems, as can be seen without difficulty.

Young persons, who are disabled or handicapped (as prescribed by the Social Security Act), move into Senior Citizen Projects and bring their problems, children and friends, who many times too often are disruptive, with loud noise, uncooperative attitude, defiant, and otherwise annoying and disturbing to the peace, security and health of the Senior Citizens, expecially at late hours and week-ends.

This must be stopped, otherwise the beautiful atmosphere of decent, safe and sanitary housing, in well kept, peaceful senior projects will be ruined, and as a result, turn the projects into noisy, unsafe, dirty and dangerous places, where once again the Seniors will be afraid to relax and enjoy their few remaining years, which they deserve.

Also, Congress should, when legislating more Senior Housing Projects, authorize funds and direct H.U.D. to provide for a security system to protect the Senior Citizens.

I would like these remarks included in the hearing record. If I can be of further service, please advise.

Very truly yours,

J. WILLIAM FARLEY, Jr.,
Executive Director.

P.S.—I am a resident of 19 Strassberg Court, Hamilton, Square, NJ. I am one of your constituents.

Enclosures.

PREPARED STATEMENT OF MARY L. MILD

Congressman Smith, Congressman Rinaldo, Congressman Saxton, thank you for the opportunity to address you this morning. My name is Mary L. Mild. I live at 223 Second Street, Trenton, NJ. I am the director of the Women's Advocacy Program for American Baptist Churches, USA. In that capacity I speak to you on behalf of older women in our State and in our country. Older women represent nearly 60% of the older person population.

First I want to say that we cannot afford to do nothing when it comes to housing for senior citizens. The private sector cannot be expected to be solely responsible for such an undertaking. And the shortage of adequate safe and affordable dwelling units for the elderly will not go away of its own accord. If anything, as you have suggested by the title of this hearing, we are in the midst of an emerging crisis.

Since 1900, the percentage of Americans 65 plus, almost tripled (4.1% in 1900 to 11.7% in 1983), and the number of Americans over 65 increased more than eight times (from 3.1 million to 27.4 million).

In addition, the older population itself is getting older. In 1983 the 65–74 age group (16.4 million) was over seven times larger than in 1900, but the 75–84 age group (8.5 million) was eleven times larger and the 85 plus group (2.5 million) was 20 times larger.[1] My twin nephews born in 1982, can expect to live to about 75 years of age, which is about 27 years longer than their grandfather who was born around the turn of the century.

In addition, we have every reason to expect that the older population will continue to grow in the future. The most rapid increase is expected between the years 2010 and 2030 when the "baby boom" generation reaches age 65. By the year 2000,

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[1] Profile of older Americans: 1984.

persons 65-plus are expected to represent 13.0% of the population, and this percentage may climb to 21.2% of the population by 2030.

Women are particularly vulnerable in our society in their older years. Current senior women, following the mores and accepted traditions of the mid and early 20th century, rarely worked outside their home. Consequently, many senior women fall below the government poverty line. Almost twice as many women fall below the poverty line as do older men. About 3.7 million elderly persons were below the poverty level in 1983. Another 2.2 million were classified as "near poor". It total, over one-fifth (22%) of the older population were poor or near-poor in 1983.

I live within the city of Trenton. Many of my neighbors are senior citizens who struggle to maintain an adequate standard of living. Many of these women (and they are primarily women) should have moved from their homes four or five years ago, into senior citizen housing where their lives could be easier and safer. However, in Trenton their homes do not command a high market value. Or where housing is affordable, there is limited space available and waiting lists are very long. Unless seniors can be offered low cost safe housing, they are being condemned to spend their last years in prison in their own homes no longer able to climb stairs, ride public transportation or adequately meet their own needs.

Housing assistance for the elderly needs to come in a variety of forms. What is needed is an umbrella policy that will address the diversity of housing needs among our senior citizens. Not all of the housing assistance needed for the elderly comes in the form of dwelling units. Seventy-five of the elderly live happily in their mortgage free homes in neighborhoods which they are pleased to live in. The assistance they require must come in the form of home owner tax rebates, visiting nurses, meals on wheels, safe lighting, police protection, low cost home owner improvement loans and assistance with the high cost of heating and home insulation.

Our housing policy for the elderly needs to include options for the well elderly. For low incomed well elderly additional public housing is still needed. The continuing enthusiasm for public housing among the aging has been demonstrated in survey by Siniecke.[2] The lengthy waiting lists for public housing in most cities including Trenton also testify to this interest and demand.

In addition to public housing for the well elderly our public housing policy should include a program of rent supplements. Under section 8 of the Housing and Community Development Act of 1974, local housing agencies could enter into lease agreements with housing project owners, so that the local authority would pay the difference between a fair monthly rental to the owner and the amount affordable by the senior renter. Until 1981, the renter's maximum payment was 25% of their income, thus making the subsidy more substantial for those with low monthly incomes. Federal cuts in the housing program support in 1981 increased the renter's maximum contribution to 30 percent. Because the monthly incomes of the elderly are often quite low, they have comprised an important segment of the rent supplement clientele. The cutbacks in housing program support have imposed a hardship upon the elderly clientele. Rather than cutting back this program we should be expanding it to make it available to more people and again available at the 25% of seniors income.

Congregate housing represents an another important policy option. Congregate housing, in simple terms, involvesx low cost housing in which some or all dwelling units share dining facilities. By providing opportunities for nutritious meals and a supportive environment, congregate housing can help individuals preserve a measure of independence impossible in other living arrangements. The further development of congregate housing is a major alternative to nursing home use. It is helpful for the well elderly and the partially disabled elderly, who are much better served in this type of facility than in a nursing home. Often congregate care facilities are closely associated with a complete nursing care facility, making the transition to full nursing care readily available when necessary. At present, nursing homes are sometimes inappropriately used for the partially disabled, when other more appropriate housing is not available. The development of more low cost congregate housing would more adequately meet the needs of the partially disabled older adults.

This brings us to our concern for the care of the frail elderly and the need for long term care facilities. Several concerns come to mind, which others will be far better able to address than I, so I will only mention these concerns briefly. First is

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[2] Winiecke, Linda. 1973 "The Appeal of Age Segregated Housing to the Elderly Poor" International Journal of Aging and Human Development.

the concern for adequate regulation of long term care facilities. As Caldwell and Kapp[3] point out:

The inconvertible fact is that the most comprehensively written and vigorously enforced regulations in the world can only work to a small degree to protect individuals from abuses. Compassion and respect for individuals can not be regulated. Until they are somehow achieved, we must find small comfort in providing dependents with a set of legal rights to accompany those misfortunes that are beyond government's power to abolish.

The second concern relates to closing those homes which are grossly inadequate. Despite all of the legislation passed in recent years, permanent closings have been very rare. Since nursing homes are a major employer in some communities, the closure step is also resisted because of the loss of jobs. The decision whether to close a home is further complicated when there is a shortage of facilities in the area. However, it is important to pursue aggressive enforcement of very poor facilities. The closing of some of the worst homes will most likely cause a major improvement in the quality of care in other facilities.

The third concern has to do with the relatively high rate of use of nursing home facilities producing long waiting lists in some areas. With a broader range of appropriate facilities such as congregate care, hospice care and additional services to the elderly living in their own homes: It might become possible for us to make more appropriate use of our nursing home facilities.

The pursuit of nursing home reform and the key issue of alternative facilities and services is not an easy task. Yet, for the more than one million older persons who spend their days in nursing homes, reform is definately needed.

Frequently today, the cry has been for the young to care for their elderly parents rather than having subsidized government housing. This is not acceptable for the only solution for several reasons. First, 85% of the elderly are being cared for by their family: spouses, children or other relatives. For instance, in this last year my own mother, my sister and cousin worked to make it possible for my 87-year-old uncle to spend his last year in his own home as he wanted, with the help of skilled nursing care and our frequent visits.

Second, there will always be some people who choose or who prefer to have independent low cost housing in senior complexes. Again, my mother is now in the process of selling her home to purchase an apartment in a senior citizen residential community.

Third, young elderly and middle-aged adults should not be made to support their parents. Every generation should be asked to care for the next generation, not the previous. As responsible adults we need to plan for our own aging.

Fourth, not all adults get along with their parents well enough to be able to provide the care that might be necessary. In forcing the care of the elderly upon their children, we are setting the stage for grandparent-abuse.

Fifth, many older adults do not have children or spouses to care for them. And finally, many adults who might truly wish to care for their parents do not have the financial resources to do so. We need through public policy to address the needs of the people who fall into these categories.

Finally, I wish to point out that while I wholeheartedly support the need for senior citizen housing, I must add that this is not the only step toward meeting the needs of our elderly citizens. Cutting medicaid payments is not an acceptable way to balance our country's budget. Senior men and women need our support also in areas of adequate social security benefits, access to pensions, affordable health insurance, and respite care—to relieve primary caretakers of the chronically ill.

Some will say where do we get the money for such a comprehensive program of supportive care for the elderly? I say where do we get the money for contra aid to Nicaragua? Where do we get the money for Trident submarines? When we realize that our senior citizens are as important, if not more so, than military aid, we shall find the funds for their care.

Today the average person who lives to age 65 can expect to live at least another 15 years. This is a time when the number of elderly citizens is growing, not decreas-

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[3] Caldwell, Janice M., and Marshall B. Kapp. 1981. "The Rights of Nursing Home Patients: Possibilities and Limitations of Federal Regulation." Journal of Health Politics, Policy and Law 6 (Spring.).

ing, and the new and creative responses from us for their care must grow as well. This is not the time that we should retreat in the care of the elderly. Now is the time that we must advance.

I thank you.

Submitted by,

MARY L. MILD,
Director, Women and the Church,
American Baptist Churches, USA,
Valley Forge, PA.

1984 SURVEY
SPECIALLY DESIGNED SUBSIDIZED HOUSING PROJECTS FOR THE ELDERLY
PLEASE GIVE STATISTICS AS OF JUNE 30, 1984

FOR OFFICE USE ONLY

1. NAME OF PROJECT*

Address

Municipality

County N J Zip AC Phone #

Type *(check as many as apply)*: PH ☐ 236 ☐ 202 ☐ Sec. 8 ☐ H.F.A. ☐ FmHA ☐ Other _____

2. NUMBER OF ELDERLY APPLICANTS ON WAITING LIST:

Of These, How Many Couples:

How Many Singles:

Do You Limit The Number of Applicants on The Waiting List: Yes ☐ No ☐

If Yes, What Is The Maximum Number?

3. TOTAL NUMBER OF UNITS IN PROJECT:

Total Number of Units Occupied By Elderly Tenants:

Of These, Number of Singles

Number of Couples

Number of Units With Heads Of Household Under Age 62

Number Of Units Vacated During 1983

4. NUMBER OF CARS OWNED BY ELDERLY TENANTS

Number of Parking Spaces

5. DOES YOUR HOUSING SPONSOR/HOUSING AUTHORITY

Have Any Units For The Elderly Under Construction? Yes ☐ No ☐

If Yes, How Many?

Where? Municipality

Funding Source: PH ☐ 202 ☐ Sec. 8 ☐ H.F.A. ☐ FmHA ☐ Other _____

6. DOES YOUR HOUSING SPONSOR/HOUSING AUTHORITY

Have Any Units For The Elderly In The Planning Stages? Yes ☐ No ☐

If Yes, How Many?

Where? Municipality

Funding Source: PH ☐ 202 ☐ Sec. 8 ☐ H.F.A. ☐ FmHA ☐ Other _____

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* **HOUSING AUTHORITIES – Please Fill In Information Below, Then Make Additional Copies Of This Sheet To Answer Questions 1 to 4 For EACH HOUSING PROJECT. Questions 5 and 6 Need Only Be Answered Once.**

Name Of Housing Authority

Address

Municipality

County N J Zip

AC Phone #

Department of Community Affairs
Division on Aging
Housing Survey
CN 807
Trenton, New Jersey 08625-0807

STATE OF NEW JERSEY
DEPARTMENT OF COMMUNITY AFFAIRS
DIVISION ON AGING
CN 807
TRENTON, NEW JERSEY 08625

ANALYSIS OF THE 1981 SUBSIDIZED HOUSING SURVEY

The Division on Aging of the Department of Community Affairs conducted a survey in June, 1981 of all specially designed subsidized housing for the elderly in New Jersey. The survey encompassed three categories of subsidized housing: 1) federally subsidized low income public housing provided by local housing authorities; 2) other federally subsidized housing (other federal) which included low and moderate income housing funded under Sections 236, 202 and the Farmers Home Administration (FmHA); 3) state subsidized low and moderate income housing as provided under the New Jersey Housing Finance Agency (NJHFA).

The intent of the survey was to gather information on subsidized housing to be used as a measure for analyzing current and future housing needs for the elderly. The information from the 1981 survey is compared with surveys completed in 1972, 1975 and 1978 to determine changes that have occured during this nine year time span.

Respondents to the survey were housing developments which were fully occupied as of June 30, 1981. Survey results were obtained from 71 public housing authorities, 41 other federal and 71 NJHFA housing projects for the elderly.

Results

There are 37,150 specially designed units currently occupied by senior citizens. Of these units, 19,676 are public housing, 5,592 are other federal and 11,882 are funded through the NJHFA (see appendix B). This represents an increase in total units of 12,226 from the number reported in the 1978 survey (see appendix C). This increase includes 3,726 public housing, 1,984 other federal and 6,156 NJHFA housing units. Subsidized housing units for the elderly have increased from 15,509 units in 1972 to 37,150 in 1981, an increase of 150 percent (see appendix C). In spite of this increase the

waiting lists continue to grow, (see appendices C and D).

The results of the 1981 survey reflects a significant decrease in the number of units under construction; from 6,667 in 1978 to 1,570 in 1981 (see appendix F). This figure of 1,570 includes 919 public housing units, 351 other federal units and 300 NJHFA. This decline in housing starts may be traced to a decrease in federal funding levels, especially during 1980 and 1981. In addition, a shift in emphasis on the part of the Department of Housing and Urban Development required the NJHFA to build more family housing which resulted in a significant reduction of housing specially designed for the elderly.

As shown in Appendix F, 1,570 units under construction was the lowest number of housing starts since the first survey of subsidized housing in 1972. There were fewer housing starts reported in this 1981 survey than in the three year period reflected in the 1975 survey when a federal moratorium was in effect. Unlike the 1978 survey where NJHFA had the majority of units under construction, in 1981 public housing construction comprised the majority of the starts, i.e., 58 percent of the 1,570 units.

As of June, 1981 there were 55,616 people on waiting lists for the 37,150 occupied subsidized housing units. The breakdown of the waiting lists was 19,794 public housing, 9,804 other federal and 26,018 NJHFA housing (see appendix B). In most of the counties the picture was the same, i.e., the number of elderly on waiting lists was significantly larger than the number of occupied units, however, in Bergen, Monmouth and Union counties the number of people on waiting lists was almost double the number of occupied units (see appendix A). Although the number of subsidized housing units has increased by 12,226 since the 1978 survey, the number on waiting lists has increased by 20,055 (see appendix C). Appendix D demonstrates the large disparity between the actual number of units and the number of people on waiting lists. The dotted lines on the graph show the projection of increasing numbers on these waiting lists with little increase in the number of actual units.

The difference between the number of occupied units and the number of people on waiting lists is even more dramatic for NJHFA housing where the housing units increased by 6,156 while the waiting lists increased by 15,801, a difference of 250 percent (see appendix E). This gap is expected to widen in the future, (see dotted lines in appendix E), due to a significant reduction in the construction rate of NJHFA housing for the elderly.

The waiting lists for subsidized housing may contain some duplication. However, since priority is given to local residents and most communities have only one type of housing, it is unlikely that this figure contains very much duplication. It should be noted that the waiting lists represent only the communities where senior citizen housing already exists and therefore this report does not indicate the need in municipalities that have no subsidized housing for the elderly. Also, there is no way to calculate how many people do not even bother to put their names on the waiting lists due to the excessive length of the existing lists. The 55,616 on waiting lists is only a minimum indication of the genuine need for additional subsidized housing for the elderly.

The yearly turnover rate as determined by the 1981 survey is 8%, which is consistent with that of the previous surveys (public housing 9%, other federal 9% and NJHFA 7%). At this 8 percent turnover rate, it would take roughly 18 years to absorb the present waiting lists. There are few units under construction and only approximately 2,900 units in planning. With present HUD proposals many of these may not be funded. Therefore, it is easy to project that many of the 55,616 on waiting lists will not live long enough to obtain an apartment in any subsidized housing project.

The 1981 survey results regarding percentage of single applicants on waiting lists are very similiar to the 1978 survey results. Singles comprise approximately 68 percent of those on waiting lists and 72 percent of the occupied units.

Parking

Survey respondents supplied information on the total number of parking spaces and the number of cars owned by residents. These figures allowed us to calculate the ratio of parking spaces used to the total number of dwelling units. For public housing, we found that the average ratio of spaces used to the total number of dwelling units was 13 percent. This indicates that approximately 13 parking spaces were used for every 100 public housing dwelling units. Other federal subsidized housing used 28 parking spaces and NJHFA used 31 parking spaces for every 100 dwelling units. These figures indicate that in public housing the parking spaces do not have to exceed 20-25 percent of the dwelling units, while in NJHFA and other federal it is unnecessary for parking spaces to exceed 35 to 40% of the dwelling units. These results are consistent with the findings of the 1978, 1975 and 1972 surveys.

Conclusions and Recommendations

1. The need for housing for the elderly continues to increase. This need is expected to become even more acute as the elderly make up a larger percentage of the population. Housing unit production has dropped to a level lower than that reflected in previous surveys. The building of subsidized housing is expected to be reduced even further due to proposed budget cuts and termination of building programs by the federal government. It is not realistic with the present financial limitations of the state and local governments to expect them to be able to assist in the building of any significant number of subsidized housing units without federal funds.

The findings indicate that there is a growing need for housing units and other alternative housing, in order to solve the problems of low and moderate income elderly. In view of the proposed changes in federal housing policy, it will be necessary to increase the use of existing buildings and other innovative approaches in meeting the needs of this group of older people.

2. Based on the results of the 1978 and 1981 survey, it is recommended that in the planning of housing for the elderly, approximately 70-75% of the units could be efficiencies as this is the average percentage of singles within a housing development.

3. Parking (See N.J. Department of Community Affairs, Division on Aging's paper entitled, "Parking Requirements for Subsidized Housing for the Elderly", May 1982.)

Appendix B

STATE TOTALS*

	NUMBER OF UNITS	NUMBER ON WAITING LIST	NUMBER OF UNITS UNDER CONSTRUCTION
Public Housing	19,676	19,794	919
Other Federally Subsidized (202,236,FmHA)	5,592	9,804	300
State Subsidized (NJHFA)	11,882	26,018	351
TOTAL	37,150	55,616	1,570

*Housing Data for each county (by Municipality) is available upon request.

STATISTICS AS OF 6/30/81

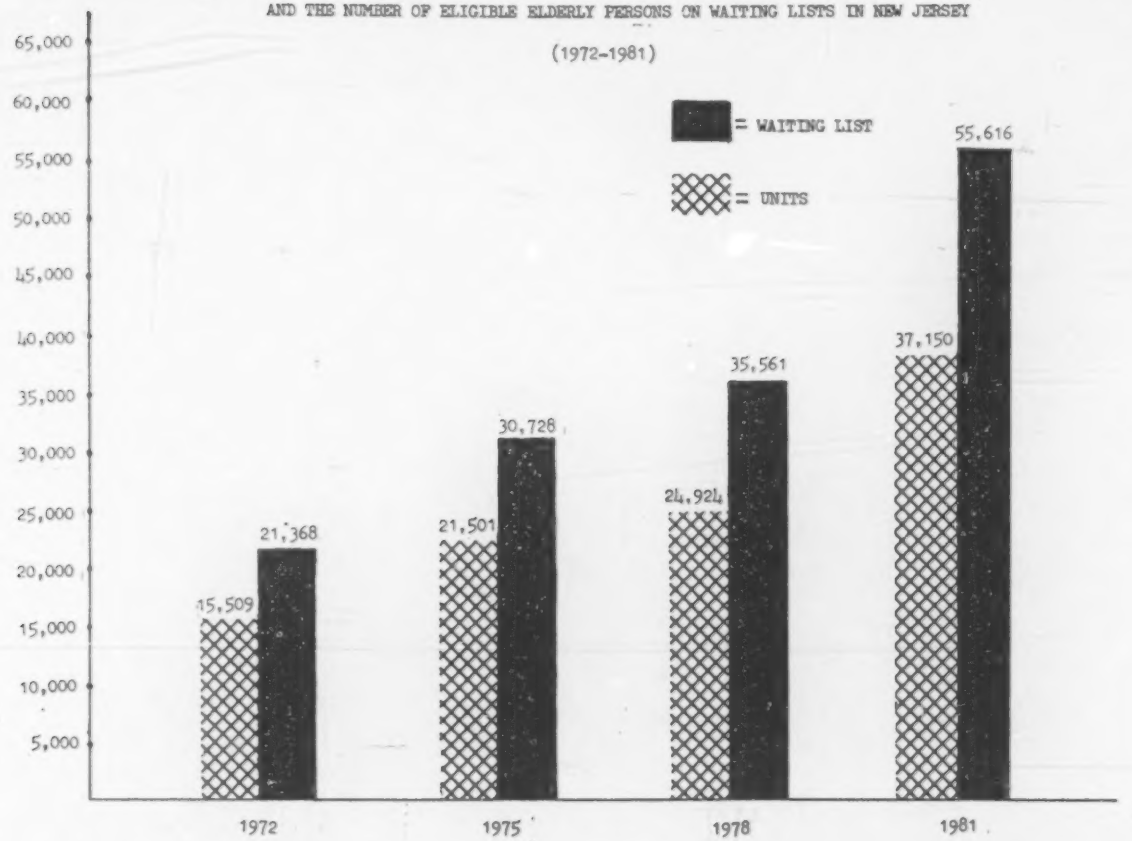
Appendix A

SUBSIDIZED HOUSING FOR ELDERLY 62 YRS.+ BY COUNTY TOTAL-COUNTIES	Total		Public Housing		Other Federal*		State Funded		Units Under Construction			
	Units	Waiting List	Units	Waiting List	Units	Waiting List	Units	Waiting List	Public Housing	Other Federal (202)	State Funded	Total
Atlantic	1542	2200	800	1229	306	250	436	721	360	150		510
Bergen	2146	4217	1517	1139	172	678	457	2400	99			99
Burlington	171	14	7	4	164	10						
Camden	1412	1887	571	505	143	160	698	1222				
Cape May	548	590	231	239	112	79	205	272				
Cumberland	900	541	900	541								
Essex	9691	15,096	5122	6702	1637	1891	2932	6503	360		11	371
Gloucester	292	710	120	60	172	650						
Hudson	5384	8334	3668	3723	526	1100	1190	3511				
Hunterdon	76	179			76	179						
Mercer	1964	2614	574	184	554	173	836	2257				
Middlesex	1597	2385	960	1119	215	259	422	1007			200	200
Monmouth	3620	7051	1322	1912	527	1400	1771	3739	100		140	240
Morris	455	370	323	206	32	90	100	24				
Ocean	484	610	466	590	18	20				150		150
Passaic	2958	2868	1326	532	626	721	1006	1615				
Salem	261	197	168	53	93	144						
Somerset	435	530	40	0			395	530				
Sussex	228	87	79	35			149	52				
Union	2663	5054	1159	939	219	2000	1285	2115				
Warren	323	82	323	82								

*Other federal includes Section 236, 202 and FmHA Housing.

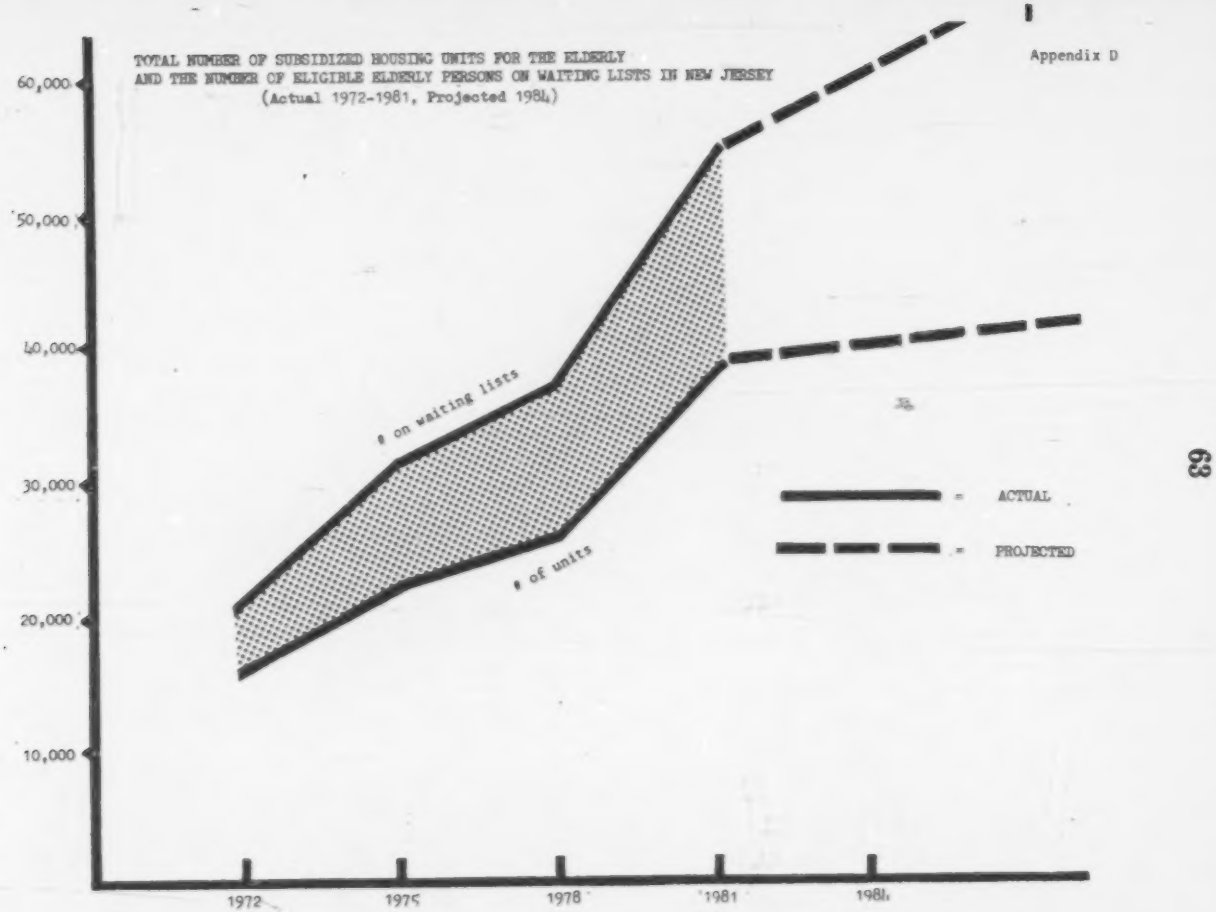
Appendix C

TOTAL NUMBER OF SUBSIDIZED HOUSING UNITS FOR THE ELDERLY
AND THE NUMBER OF ELIGIBLE ELDERLY PERSONS ON WAITING LISTS IN NEW JERSEY
(1972-1981)



Appendix D

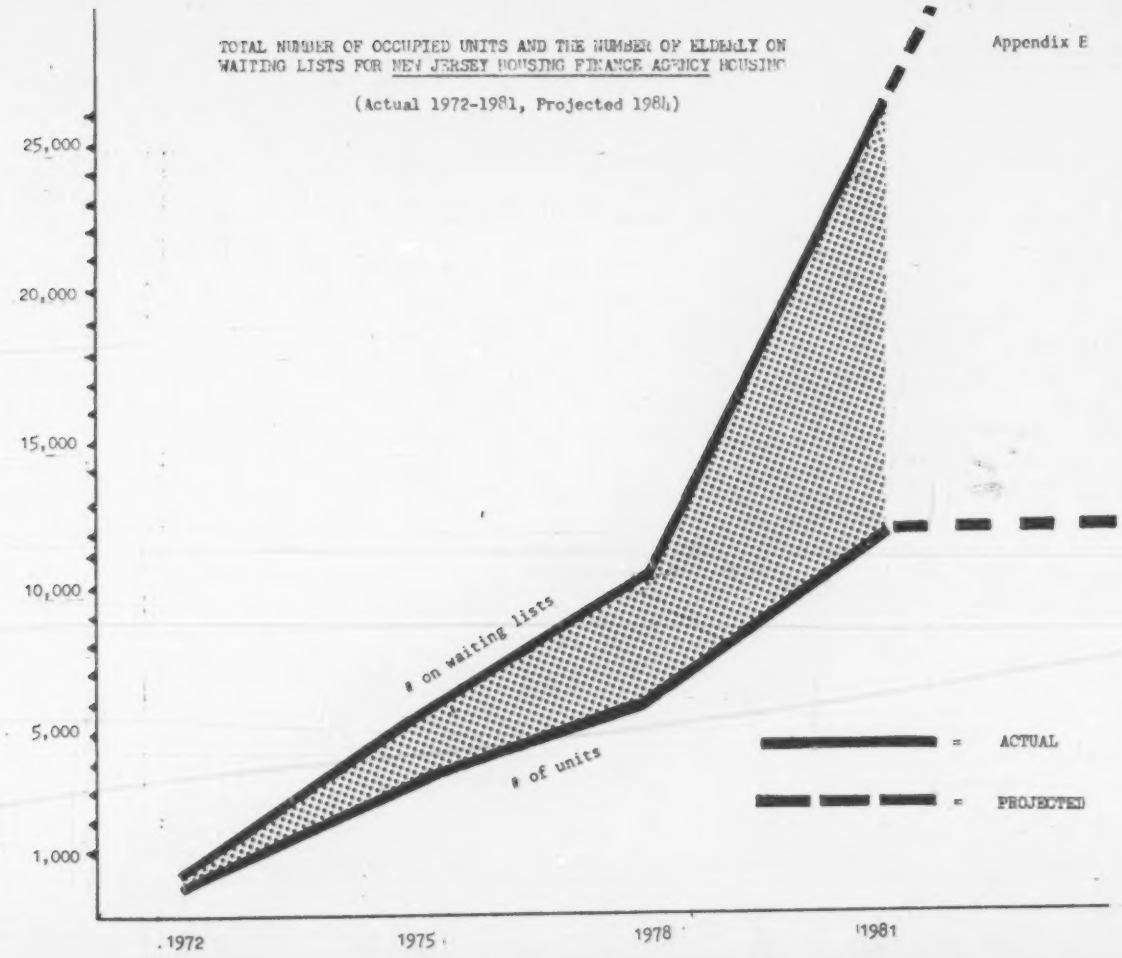
TOTAL NUMBER OF SUBSIDIZED HOUSING UNITS FOR THE ELDERLY
AND THE NUMBER OF ELIGIBLE ELDERLY PERSONS ON WAITING LISTS IN NEW JERSEY
(Actual 1972-1981, Projected 1984)



Appendix E

TOTAL NUMBER OF OCCUPIED UNITS AND THE NUMBER OF ELDERLY ON WAITING LISTS FOR NEW JERSEY HOUSING FINANCE AGENCY HOUSING

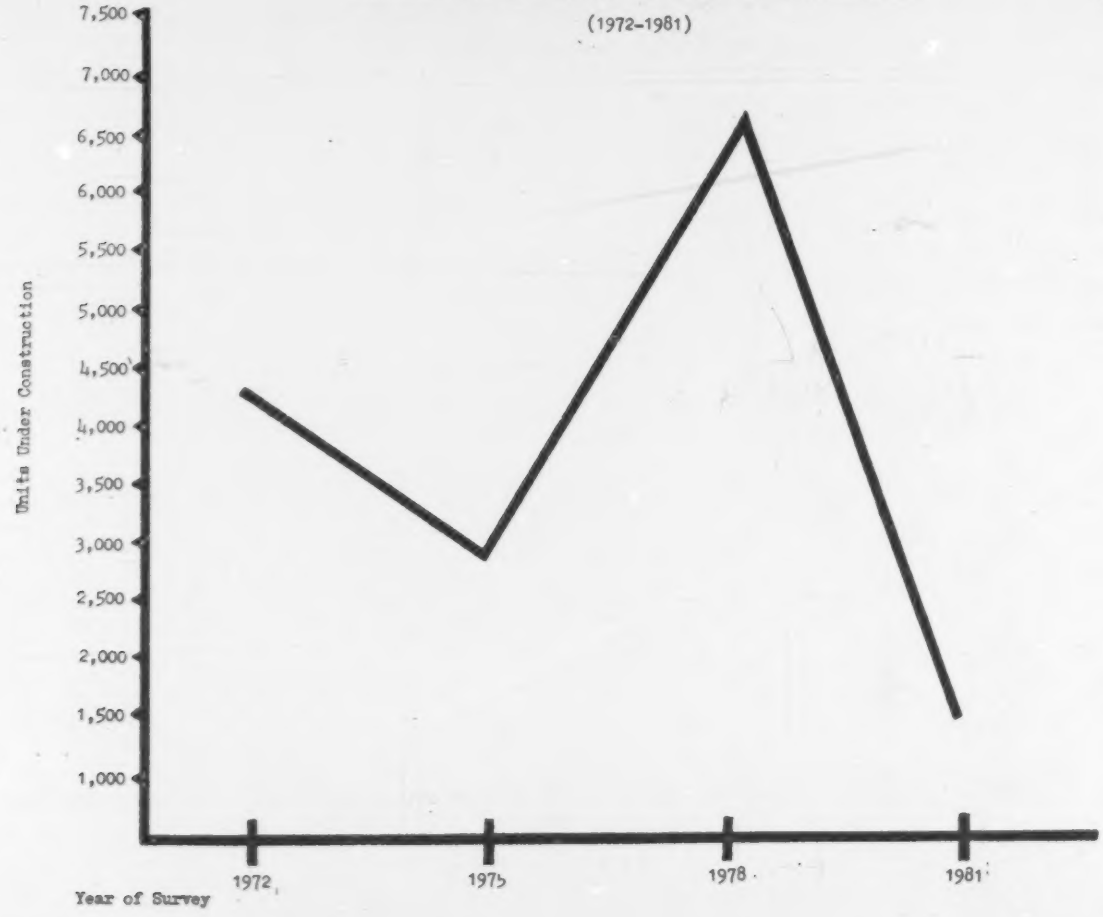
(Actual 1972-1981, Projected 1984)



SUBSIDIZED HOUSING UNITS FOR THE ELDERLY UNDER CONSTRUCTION

(1972-1981)

Appendix F



SUBSIDIZED HOUSING FOR ELDERLY 62 YRS.+ BY COUNTY

STATISTICS AS OF 6/30/81

ATLANTIC	Total Units	Total Waiting List	Public Housing Units	Public Housing Waiting List	Other Federal* Units	Other Federal* Waiting List	State Funded Units	State Funded Waiting List	Units Under Construction: Public Housing	Other Federal (202)	State Funded	Total
Atlantic City	1402	1927										300
Housing Authority			660	956					300			
Elliot House					99	50						
Community Haven							266	521				
A.C. Townehouse							170	200				
Best of Life					207	200						60
Buena	60	23										
Housing Authority			60	23					60			
Pleasantville	80	2.3										
Housing Authority			80	250								150
Ventnor	0	0								150		
Shalom Towers												
COUNTY TOTAL	1542	2200	800	1229	306	250	436	721	360	150		510

* Other federal includes Section 236, 202 and FmHA Housing.

STATISTICS AS OF 6/30/81

SUBSIDIZED HOUSING FOR ELDERLY 62 YRS.+ BY COUNTY BERGEN	Total		Public Housing		Other Federal*		State Funded		Units Under Construction			
	Units	Waiting List	Units	Waiting List	Units	Waiting List	Units	Waiting List	Public Housing	Other Federal (202)	State Funded	Total
Bergen Co. Hous. Auth.			383	326					99			99
Cliffside Park	354	143										
Housing Authority			354	143								
Englewood	150	50										
Housing Authority			150	50								
Fort Lee	223	2000										
Malcolm Towers							223	2000				
Garfield	237	308										
Housing Authority			237	308								
Hackensack	250	192										
Housing Authority			250	192								
Leonia	77	137										
Leonia Sr. Citizen							77	137				
Lodi	143	120										
Housing Authority			143	120								
Teaneck	157	263										
Teaneck Sr. Cit.							157	263				
Westwood	172	678										
Westwood House					172	678						
COUNTY TOTAL	2146	4217	1517	1139	172	678	457	2400	99			99

* Other federal includes Section 236, 202 and FmHA Housing.

SUBSIDIZED HOUSING FOR ELDERLY 62 YRS.+ BY COUNTY
BURLINGTON AND CUMBERLAND

STATISTICS AS OF 6/30/81

	Total		Public Housing		Other Federal*		State Funded		Units Under Construction			
	Units	Waiting List	Units	Waiting List	Units	Waiting List	Units	Waiting List	Public Housing	Other Federal (202)	State Funded	Total
BURLINGTON COUNTY												
Florence Twp.	7	4										
Housing Authority			7	4								
Lumberton	164	10										
Acacia-Lumber Manor					164	10						
COUNTY TOTAL	171	14	7	4	164	10						
CUMBERLAND COUNTY												
Bridgeton	237	157										
Housing Authority			237	157								
Millville	310	184										
Housing Authority			310	184								
Vineland	353	200										
Housing Authority			353	200								
COUNTY TOTAL	900	541	900	541								

* Other federal includes Section 236, 202 and FmHA Housing.

SUBSIDIZED HOUSING FOR ELDERLY 62 YRS.+ BY COUNTY

CAMDEN AND CAPE MAY

CAMDEN COUNTY

STATISTICS AS OF 6/30/81

	Total		Public Housing		Other Federal*		State Funded		Units Under Construction			
	Units	Waiting List	Units	Waiting List	Units	Waiting List	Units	Waiting List	Public Housing	Other Federal (202)	State Funded	Total
Audubon	123	521										
Audubon Towers							123	521				
Camden	504	150										
Housing Authority			306	45								
Riverview Towers Apts.							198	105				
Clementon	70	200										
Housing Authority			70	200								
Collingswood	95	200										
Housing Authority			95	200								
Gloucester Township	3	10										
Quail Ridge Apts.					3	10						
Haddon Heights	123	51										
R. Stanfill Towers							123	51				
Haddon Township	100	60										
Housing Authority			100	60								
Voorhees Township	254	545										
Echelon Towers							254	545				
Westmont	100	75										
W.G. Rohrer Towers					100	75						

* Other federal includes Section 236, 202 and FmHA Housing.

SUBSIDIZED HOUSING for ELDERLY 62 YRS.+ BY COUNTY CAMDEN & CAPE MAY	STATISTICS AS OF 6/30/81 Total Units	Total Waiting List	Public Housing Units	Public Housing Waiting List	Other Federal* Units	Other Federal* Waiting List	State Funded Units	State Funded Waiting List	Units Under Construction Public Housing	Other Federal (202)	State Funded	Total
CAMDEN COUNTY (Con't)												
Winslow Township	40	75										
Edgewood Acres					40	75						
COUNTY TOTAL	1412	1887	571	505	143	160	698	1222				
CAPE MAY COUNTY												
Cape May City	260	295										
Housing Authority			55	23								
Victorian Towers							205	272				
Ocean City	81	200										
Housing Authority			81	200								
Wildwood	207	95										
Housing Authority			95	16								
Lions Center					112	79						
COUNTY TOTAL	548	590	231	239	112	79	205	272				

* Other federal includes Section 236, 202 and FmHA Housing.

SUBSIDIZED HOUSING FOR ELDERLY 62 YRS.+ BY COUNTY
ESSEX

STATISTICS AS OF 6/30/81

	Total		Public Housing		Other Federal*		State Funded		Units Under Construction			
	Units	Waiting List	Units	Waiting List	Units	Waiting List	Units	Waiting List	Public Housing	Other Federal (202)	State Funded	Total
Bloomfield	147	1500										
Felicity Towers							147	1500				
Caldwell	159	239										
Marian Manor					159	239						
East Orange	1700	1295										
Housing Authority			276	150								
Harrison Arms							110	316				
Norman Towers							332	186				
McIver Towers							87	20				
Pavillion							291	250				
Arlington House							148	40				
Prospect Pk. Apts.							130	221				
Brookside							199	75				
Coppergate House					127	37						
Irvington	682	659										
Housing Authority			548	359								
Jewish Fed. Towers					134	300						
Maplewood	110	1500										
Maplewood Sr.Cit.Res							110	1500				

* Other federal includes Section 236, 202 and CMHA Housing.

SUBSIDIZED HOUSING FOR ELDERLY 62 YRS.+ BY COUNTY

STATISTICS AS OF 6/30/81

ESSEX (Con't)	Total Units	Total Waiting List	Public Housing Units	Public Housing Waiting List	Other Federal[a] Units	Other Federal[a] Waiting List	State Funded Units	State Funded Waiting List	Units Under Construction: Public Housing	Other Federal (202)	State Funded	Total
Montclair	102	250										
Montclair House					102	250						
Newark	5498	7479										371
Housing Authority			4048	6022					360			
Villa Victoria							100	375				
N.C.C./Roseville							98	75			11	
Essex Plaza					500	500						
Forest Hill House							99	150				
N.C.C./Douglas House							135	157				
Court Towers							220	200				
Wesley Towers					298	0						
Orange	667	1121										
Housing Authority			250	171								
Mt. Carmel Towers							142	250				
Orange Sr. Citizens							132	300				
Orange Pk. Apts.							143	400				
Verona	159	238										
Hillwood Terrace							159	238				

[a] Other federal includes Section 236, 202 and FmHA Housing.

SUBSIDIZED HOUSING FOR ELDERLY 62 YRS.+ BY COUNTY ESSEX AND GLOUCESTER	STATISTICS AS OF 6/30/81 Total		Public Housing		Other Federal*		State Funded		Units Under Construction			
	Units	Waiting List	Units	Waiting List	Units	Waiting List	Units	Waiting List	Public Housing	Other Federal (202)	State Funded	Total
ESSEX COUNTY (Con't)												
West Orange	467	815										
Dghtrs. of Israel					134	100						
Fairmont House					183	465						
James A. Degnan House							150	250				
COUNTY TOTAL	9691	15,096	5122	6702	1637	1891	2932	6503	360		11	371
GLOUCESTER COUNTY												
Glassboro	120	60										
Housing Authority			120	60								
Pitman	172	650										
Pitman Manor					172	650						
COUNTY TOTAL	292	710	120	60	172	650						

* Other federal includes Section 236, 202 and FmHA Housing.

SUBSIDIZED HOUSING FOR ELDERLY 62 YRS.+ BY COUNTY

STATISTICS AS OF 6/30/81

HUDSON	Total		Public Housing		Other Federal*		State Funded		Units Under Construction			
	Units	Waiting List	Units	Waiting List	Units	Waiting List	Units	Waiting List	Public Housing	Other Federal (202)	State Funded	Total
Bayonne	1099	625										
Housing Authority			1099	625								
Guttenberg	80	217										
Housing Authority			80	217								
Harrison	160	117										
Housing Authority			160	117								
Hoboken	604	649										
Housing Authority			450	600								
Marian Towers							154	49				
Jersey City	1350	1901										
Housing Authority			286	139								
Muhlenberg Gardens					150	100						
Plaza Apartments					93	780						
Grandview Terrace					283	220						
Jones Hall							109	185				
Unico Towers							192	150				
Battery View							237	327				
N. Bergen	850	600										
Housing Authority			850	600								

* Other federal includes Section 236, 202 and FmHA Housing.

SUBSIDIZED HOUSING FOR ELDERLY 62 YRS.+ BY COUNTY HUDSON AND HUNTERDON	STATISTICS AS OF 6/30/91 Total		Public Housing		Other Federal*		State Funded		Units Under Construction			
	Units	Waiting List	Units	Waiting List	Units	Waiting List	Units	Waiting List	Public Housing	Other Federal (202)	State Funded	Total
HUDSON COUNTY (con't)												
Secaucus	100	185										
Housing Authority			100	185								
Union City	440	1606										
Housing Authority			212	806								
Bella Vista Apts.							228	800				
West New York	701	2434										
Housing Authority			431	434								
Parkview Towers							270	2000				
COUNTY TOTAL	5384	8334	3668	3723	526	1100	1190	3511				
HUNTERDON COUNTY												
Glen Gardner	24	55										
Parkside					24	55						
Lambertville	52	124										
Hibernia Apts.					38	110						
So. Hunterdon Apts.					14	14						
COUNTY TOTAL	76	179			76	179						

* Other federal includes Section 236, 207 and FmHA Housing.

SUBSIDIZED HOUSING FOR ELDERLY 62 YRS.+ BY COUNTY
MERCER

STATISTICS AS OF 6/30/81

	Total		Public Housing		Other Federal*		State Funded		Units Under Construction			
	Units	Waiting List	Units	Waiting List	Units	Waiting List	Units	Waiting List	Public Housing	Other Federal (202)	State Funded	Total
Hamilton Township	309	1600										
Pond Run I							159	800				
Pond Run II							150	800				
Hightstown	53	9										
Housing Authority			53	9								
Lawrence	159	300										
Lawrence Plaza							159	300				
Princeton	110	71										
Housing Authority			110	71								
Trenton	1333	634										
Housing Authority			411	104								
Luther Towers					205	75						
Luther Arms					120	50						
Architect Housing							122	300				
Trent Center East					229	48						
Trent Center West							246	57				
COUNTY TOTAL	1964	2614	574	184	554	173	836	2257				

* Other federal includes Section 236, 202 and FmHA Housing.

STATISTICS AS OF 6/30/81

SUBSIDIZED HOUSING FOR ELDERLY 62 YRS.+ BY COUNTY MIDDLESEX	Total		Public Housing		Other Federal*		State Funded		Units Under Construction			
	Units	Waiting List	Units	Waiting List	Units	Waiting List	Units	Waiting List	Public Housing	Other Federal (202)	State Funded	Total
Carteret	140	120										
Housing Authority			140	120								
Edison	84	141										
Housing Authority			84	141								
Highland Park	112	400										
Housing Authority			112	400								
Jamesburg	39	10										
Barclay Village					39	10						
Metuchen	122	518										
Met. Sr. Cit. Housing							122	518				
New Brunswick	59	99										
Housing Authority			59	99								
North Brunswick	204	427										200
Jack Pincus Mem.							204	427			200	
Perth Amboy	332	136										
Housing Authority			236	74								
High St. Sr. Cit.							96	62				
South Amboy	54	26										
Housing Authority			54	26								

* Other federal includes Section 236, 202 and FmHA Housing.

Statistics as of 6/30/81

SUBSIDIZED HOUSING FOR ELDERLY 62 YRS.+ BY COUNTY	Total		Public Housing		Other Federal*		State Funded		Units Under Construction			
MIDDLESEX (Con't)	Units	Waiting List	Units	Waiting List	Units	Waiting List	Units	Waiting List	Public Housing	Other Federal (202)	State Funded	Total
South Brunswick	54	100										
S. Brun. Comm. Dev.					54	100						
Spotswood	122	149										
Woodmere					122	149						
Woodbridge	275	259										
Housing Authority			275	259								
COUNTY TOTAL	1597	2385	960	1119	215	259	422	1007			200	22[illegible]

* Other federal includes Section 236, 202 and FmHA Housing.

SUBSIDIZED HOUSING FOR ELDERLY 62 YRS.+ BY COUNTY
MONMOUTH & MORRIS

STATISTICS AS OF 6/30/81

	Total		Public Housing		Other Federal[a]		State Funded		Units Under Construction			
	Units	Waiting List	Units	Waiting List	Units	Waiting List	Units	Waiting List	Public Housing	Other Federal (202)	State Funded	Total
Asbury Park	875	1028										
Housing Authority			310	158								
Phil Seaview Towers							220	500				
Asbury Towers							345	370				
Belmar	50	77										
Housing Authority			50	77								
Freehold	199	230										
Housing Authority			47	30								
Hudson Manor							152	200				
Hazlet	212	212										
Mid. Rd. Village							212	212				
Highlands	5	8										
Housing Authority			5	8								
Keansburg	190	300										
Housing Authority			190	300								
Keyport	540	1265										140
Keyport Legion Apts.							209	265				
Bethany Manor					231	500						
Bethany Manor II					100	500						
Bethany Towers											140	

[a] Other federal includes Section 236, 202 and CmHA Housing.

SUBSIDIZED HOUSING FOR ELDERLY 62 YRS.+ BY COUNTY

STATISTICS AS OF 6/30/81

MONMOUTH (Con't)	Total		Public Housing		Other Federal[a]		State Funded		Units Under Construction			
	Units	Waiting List	Units	Waiting List	Units	Waiting List	Units	Waiting List	Public Housing	Other Federal (202)	State Funded	Total
Lincroft	187	967										
Luftman Towers							187	967				100
Long Branch	217	450										
Housing Authority			217	450					100			
Matawan	108	500										
Minnisink Village							108	500				
Middletown	348	800										
Housing Authority			252	600								
Bayshore Village							96	200				
Neptune City	200	135										
Housing Authority			200	135								
Oakhurst	93	0										
Poplar Village							93	0				
Oceanport	100	200										
Oceanport Gardens					100	200						
Port Monmouth	96	200										
Alice V. Tomaso Plaza					96	200						
Red Bank	51	154										
Housing Authority			51	154								

[a] Other Federal includes Section 236, 202 and FmHA Housing.

SUBSIDIZED HOUSING FOR ELDERLY 62 YRS.+ BY COUNTY
MONMOUTH & MORRIS

STATISTICS AS OF 6/30/81

	Total		Public Housing		Other Federal*		State Funded		Units Under Construction			
	Units	Waiting List	Units	Waiting List	Units	Waiting List	Units	Waiting List	Public Housing	Other Federal (202)	State Funded	Total
MONMOUTH (Con't)												
West Long Branch	149	525										
Peter Cooper Village							149	525				
COUNTY TOTAL	3620	7051	1322	1912	527	1400	1771	3739	100		140	240
MORRIS COUNTY												
Boonton	46	42										
Housing Authority			46	42								
Dover	61	42										
Housing Authority			61	42								
Madison	16	20										
Housing Authority			16	20								
Mendham Boro	32	90										
Mend. Area So. Hous.					32	90						
Morristown	200	102										
Housing Authority			200	102								
Pequannock	100	74										
Alex Hurle Village							100	74				
COUNTY TOTAL	455	370	323	206	32	90	100	74				

* Other federal includes Section 236, 202 and FmHA Housing.

SUBSIDIZED HOUSING FOR ELDERLY 62 YRS.+ BY COUNTY
OCEAN

STATISTICS AS OF 6/30/81

	Total		Public Housing		Other Federal*		State Funded		Units Under Construction			
	Units	Waiting List	Units	Waiting List	Units	Waiting List	Units	Waiting List	Public Housing	Other Federal (202)	State Funded	Total
Berkeley Township	35	35										
Housing Authority			35	35								
Brick Township	225	500										
Housing Authority			225	500								
Jackson	18	20										
Jackson Col. Arms					18	20						150
Lakewood	206	55										
Housing Authority			206	55						150		
Sons of Israel Sr.Cit.										150		150
COUNTY TOTAL	484	610	466	590	18	20						

* Other federal includes Section 236, 202 and FmHA Housing.

STATE OF NEW JERSEY
DEPARTMENT OF COMMUNITY AFFAIRS
DIVISION ON AGING
363 W. STATE STREET
CN 807
TRENTON, NEW JERSEY 08625

PARKING REQUIREMENTS FOR SUBSIDIZED HOUSING FOR THE ELDERLY

In June of 1981, a survey of subsidized housing for the elderly was completed. Responses were received from 71 public housing authorities, i.e., all those housing authorities that have units specifically designed for the elderly, 41 other federally subsidized senior citizen housing projects and 71 state assisted senior citizen housing projects. The total housing consists of 19,676 low income public housing, 5,592 other federal, and 11,882 units of New Jersey Housing Finance Agency (NJHFA) sponsored housing. We received incomplete parking information from some of the respondents, so that our data are based on approximately 80 percent of the projects. Most of the missing responses were due to insufficient information from the public housing units (see Chart I.)

In the survey, we asked for the total number of parking spaces and the number of residents who own cars (see Chart I.). From these figures, we calculated the number of residents' cars per dwelling units. For low rent public housing, we found the average number of residents who owned cars was 20 percent of the total number of dwelling units. This means that for every 100 dwelling units it is only necessary to provide 20 tenant parking spaces. For other federal housing, there are 28 tenant parking spaces used for every 100 units and for state assisted housing 31 spaces to every 100 units. On the average, tenants of public housing, other federal and state subsidized housing use approximately 62 percent of the total parking provided (see Chart I.). This indicates that New Jersey's housing projects for the elderly provide an excess of parking spaces.

The data were further analyzed by location, i.e., urban, suburban and rural (see Chart II.) and by type of funding and location (see Charts III, IV and V.) As expected, project tenants in urban communities had the lowest number of cars per 100 units, while rural contained the highest, with suburban projects in between (see Chart II.).

However, in public housing units, the suburban projects produced more resident cars than those in rural areas*, while NJHFA housing, suburban and rural areas* had significantly higher numbers of resident cars per 100 units (see Charts III and V.). Surprisingly, in other federal housing, urban and suburban communities produced the same number of tenant cars per 100 units (see Chart IV.).

These findings should be used for planning the number of necessary parking spaces in subsidized housing projects. Our results indicate that the number of parking spaces need not exceed 35 to 40 percent of the total number of dwelling units for moderate-income housing and for low rent public housing a reasonable estimate would be 25-30 percent. However, for NJHFA housing located in more suburban and rural areas, parking spaces should be provided for 50 percent of the dwelling units, and public housing located in suburban areas may require parking for 40 percent of the units. These suggested percentages will accommodate the needs of tenants and staff as well as the spaces required for visitors' cars.

The Division on Aging is fully cognizant of the fact that most communities require one to one and one-half parking spaces per unit in multi-family residential zones, but in light of the above data, this is not only excessive but also wasteful, both economically and in the use of space in elderly housing. Instead of blacktopping, (which only increases the cost of the project), the area could be left open for passive recreational use. If the need for additional parking should arise, this space could be blacktopped at that time. In some communities, zoning ordinances have been amended and/or variances granted in order to reduce parking requirements for elderly housing and this has not had any adverse effects.

Since the above data for parking requirements are based on a survey of existing subsidized housing for the elderly, and since this data has been consistent over a ten year period, we suggest that our recommendations be given careful consideration in planning housing for the elderly.

*The figures for rural areas in Charts III, IV and V may not be too reliable because the number of units is very small.

SUBSIDIZED HOUSING FOR ELDERLY 62 YRS.+ BY COUNTY

STATISTICS AS OF 6/30/81

PASSAIC	Total		Public Housing		Other Federal[a]		State Funded		Units Under Construction			
	Units	Waiting List	Units	Waiting List	Units	Waiting List	Units	Waiting List	Public Housing	Other Federal (202)	State Funded	Total
Clifton	270	301										
Dghtrs.of Miriam Apts.					120	31						
Miriam Apts. II					150	270						
Passaic	799	733										
Housing Authority			634	283								
Blvd. Park Apts.							165	450				
Paterson	1552	910										
Housing Authority			692	249								
Colts Arms							206	23				
Federation Apts.							142	38				
Gov. Paterson Towers I&II					356	420						
Gov. Paterson Towers III							156	180				
Pompton Lakes	96	684										
Pompton Lakes Sr.Hous							96	684				
Wayne	241	240										
Ed Sisco Village							241	240				
COUNTY TOTAL	2958	2868	1326	532	626	721	1006	1615				

[a] Other federal includes Section 236, 202 and FmHA Housing.

STATISTICS AS OF 6/30/81

SUBSIDIZED HOUSING FOR ELDERLY 62 YRS.+ BY COUNTY SALEM	Total		Public Housing		Other Federal*		State Funded		Units Under Construction			
	Units	Waiting List	Units	Waiting List	Units	Waiting List	Units	Waiting List	Public Housing	Other Federal (202)	State Funded	Total
Carney's Point	80	127										
Village Arms					80	127						
Penns Grove	80	18										
Housing Authority			80	18								
Salem	88	35										
Housing Authority			88	35								
Woodstown Boro	13	17										
Parks Garden					13	17						
COUNTY TOTAL	261	197	168	53	93	144						

* Other federal includes Section 236, 202 and FmHA Housing.

SUBSIDIZED HOUSING FOR ELDERLY 62 YRS.+ BY COUNTY
SOMERSET AND SUSSEX

STATISTICS AS OF 6/30/81

	Total		Public Housing		Other Federal*		State Funded		Units Under Construction			
	Units	Waiting List	Units	Waiting List	Units	Waiting List	Units	Waiting List	Public Housing	Other Federal (202)	State Funded	Total
SOMERSET COUNTY												
Basking Ridge	246	330										
Ridge Oak							246	330				
Franklin Township	40	0										
Housing Authority			40	0								
Somerville	149	200										
Somerville Sr. Cit.							149	200				
COUNTY TOTAL	435	530	40	0			395	530				
SUSSEX COUNTY												
Newton	79	35										
Housing Authority			79	35								
Sparta	149	52										
Knoll Heights Village							149	52				
COUNTY TOTAL	228	87	79	35			149	52				

* Other federal includes Section 236, 202 and FmHA Housing.

SUBSIDIZED HOUSING FOR ELDERLY 62 YRS.+ BY COUNTY
UNION AND WARREN

STATISTICS AS OF 6/30/81

	Total		Public Housing		Other Federal*		State Funded		Units Under Construction			
	Units	Waiting List	Units	Waiting List	Units	Waiting List	Units	Waiting List	Public Housing	Other Federal (202)	State Funded	Total
UNION COUNTY												
Cranford	128	350										
Cranford Sr. Cit.							128	350				
Elizabeth	693	474										
Housing Authority			501	339								
Elizabeth Towers							192	135				
Linden	350	200										
Housing Authority			350	200								
Plainfield	363	396										
Housing Authority			223	300								
Cedar Brook Apts.							140	96				
Rahway	281	287										
Housing Authority			85	100								
Golden Age Towers							196	187				
Roselle	169	211										
Pinewood Hall							169	211				
Summit	137	50										
Springfield Sr. Cit.							137	50				

* Other federal includes Section 236, 202 and FmHA Housing.

STATISTICS AS OF 6/30/81

SUBSIDIZED HOUSING FOR ELDERLY 62 YRS.+ BY COUNTY	Total		Public Housing		Other Federal*		State Funded		Units Under Construction			
UNION AND WARREN	Units	Waiting List	Units	Waiting List	Units	Waiting List	Units	Waiting List	Public Housing	Other Federal (202)	State Funded	Total
UNION COUNTY (Con't)												
Union Township	374	3000										
Summer Gardens							155	1000				
T. Eckhart Gardens					219	2000						
Westfield	168	86										
Westfield Sr. Cit.							168	86				
COUNTY TOTAL	2663	5054	1159	939	219	2000	1285	2115				
WARREN COUNTY												
Phillipsburg	323	82										
Housing Authority			323	82								
COUNTY TOTAL	323	82	323	82								

* Other federal includes Section 236, 202 and FmHA Housing.

CHART II.

NUMBER OF RESIDENT CARS IN URBAN, SUBURBAN AND RURAL AREAS

Projects located in:	Dwelling Units	Resident Cars	Number of Resident Cars Per 100 Units
Urban Communities	22,250	5,105	23
Suburban Communities	5,645	2,020	36
Rural Communities	927	435	47

CHART III.

Public Housing in:			
Urban	10,191	1,830	18
Suburban	1,594	543	34
Rural	247	63	26

CHART IV.

Other Federal Housing in:			
Urban	3,366	864	26
Suburban	1,798	473	26
Rural	434	251	58

CHART V.

NJHFA Housing in:			
Urban	8,693	2,411	28
Suburban	2,253	1,004	46
Rural	246	121	49

*Classification of communities into Urban, Suburban and Rural is taken from New Jersey Municipal Profiles Intensity of Urbanization, Department of Community Affairs, Division of State and Regional Planning.

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CHART 1.

NUMBER OF RESIDENT CARS AND NUMBER OF PARKING SPACES IN SUBSIDIZED HOUSING FOR THE ELDERLY

	Units	Resident Cars	Number of Resident Cars per 100 Units	Parking Spaces	% of Spaces Used by Residents
Public Housing	12,032	2,436	20	4,000	61
Other Federal*	5,598	1,588	28	2,575	62
NJHFA	11,192	3,536	31	5,657	63
State Total	28,822	7,560	26	12,232	62

*Other federal includes Section 236, 202 and FmHA Housing.